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REPORT

OF THE

TREASURER OF STATE,

IN RELATION TO THE THREE PER CENT. FUND.

25th Session 1840
1841

TREASURER'S OFFICE, }
Indianapolis, 31st October, 1840. }

To the General Assembly of the State of Indiana:

I have the honor, herewith to lay before the General Assembly, a statement of the condition of the 3 per cent. fund.

Very Respectfully,

N. B. PALMER,
Agent 3 per cent. Fund.

The total amount of the 3 per cent. fund received from the United States, prior to the 1st November, 1839, including, also, \$2,550 received from the State Treasury, is

\$472,630 61

There has been received from the United States, the present year,

23,709 20

Add amount received as premium on draft on Bank of America, sold,

959 56

—————\$497,299 37

The payments from this fund on the various appropriations to roads, rivers and counties, prior to the 1st November, 1839, was

\$454,599 57

There has been paid on same account the present year, up to this date,

19,279 10

The total amount of incidental expenses to this date, is

5,033 94

—————\$478,912 61

\$18,386 76

Leaving, on the 1st November, 1840, on hand, subject to the order of the proper commissioners, the sum of \$18,386 76.

It will be perceived, that the amount of this fund for the present year, has been swelled nearly \$1,000, by premium on draft on Bank of America, sold by the undersigned, and the avails carried into the general account of this fund.

The following table will show the amount appropriated to each of the several objects, to which this fund has been directed; also the amount paid to, and the balance due to each.

The right hand column shows the amount yet going to each county to meet all existing appropriations: this balance, however, is but a portion of it now on hand, there being yet to be received from the United States the sum of \$941 24, to each county, to fill the appropriations heretofore made.

To ascertain the amount now on hand for any county, subtract the said sum of \$941 24, from the amount set in the right hand column as due the proper county, and the balance will be the amount now on hand for such county, and subject to the draft of the commissioner,

No. of Road, Ri- ver, or County.	Road Commission- ers and names of Counties.	Amount of ap- propriation to each Road and County.	Amount paid to each.	Balance due to each.
12	George White	2,712 25	2,701 19	11 04
14	Garra Davis	3,033 80	3,025 02	8 78
	Amount appropri- ated and paid on 53 roads	111,740 05	111,740 05	
	Amount appropri- ated and paid on 10 rivers	2,050 00	2,050 00	
1	Allen (County.)	5,387 50	3,952 04	1,435 46
2	Adams - -	5,500 00	4,276 38	1,223 62
3	Boone - - -	5,500 00	4,558 76	941 24
4	Bartholomew -	5,500 00	4,186 71	1,313 29
5	Brown - - -	4,000 00	3,058 76	941 24
6	Clinton - - -	5,387 50	4,163 88	1,223 62
7	Carroll - - -	4,900 00	3,958 76	941 24
8	Cass - - -	5,000 00	4,058 76	941 24
9	Clark - - -	5,500 00	4,276 38	1,223 62
10	Crawford - -	5,500 00	4,558 76	941 24
11	Clay - - -	5,387 50	3,952 13	1,435 37
12	Dearborn - -	5,500 00	4,065 00	1,435 00
13	Decatur - - -	5,500 00	4,558 76	941 24
14	Dubois - - -	5,500 00	4,000 00	1,500 00
15	Delaware - -	5,500 00	4,558 76	941 24
16	Daviess - - -	5,500 00	4,276 38	1,223 62
17	De Kalb - - -	4,000 00	3,058 76	941 24
18	Elkhart - - -	5,500 00	4,444 79	1,055 21
19	Fountain - - -	4,900 00	3,958 76	941 24
20	Floyd - - -	5,500 00	4,558 76	941 24
21	Franklin - - -	5,500 00	4,064 54	1,435 46
22	Fayette - - -	5,500 00	4,558 76	941 24
23	Fulton - - -	4,000 00	3,058 76	941 24
24	Gibson - - -	5,500 00	4,276 38	1,223 62
25	Grant - - -	5,500 00	4,558 76	941 24
26	Green - - -	5,500 00	4,275 38	1,224 62
27	Huntington -	5,387 50	4,446 26	941 24
28	Harrison - - -	5,500 00	4,276 38	1,223 62
29	Hendricks - -	5,500 00	4,558 76	941 24
30	Hancock - - -	5,500 00	4,276 38	1,223 62
31	Hamilton - - -	5,500 00	4,558 76	941 24
32	Henry - - -	5,500 00	4,558 76	941 24
33	Jackson - - -	5,500 00	4,276 38	1,223 62
34	Jennings - - -	5,500 00	4,558 76	941 24
35	Jefferson - -	5,500 00	4,558 76	941 24
36	Jasper - - -	4,000 00	2,889 34	1,110 66

No. of Road, River, or County.	Road Commission- ers and names of Counties.	Amount of ap- propriation to each Road and County.	Amount paid to each.	Balance due to each.
37	Johnson - -	5,500 00	4,558 76	941 24
38	Jay - -	4,000 00	2,776 38	1,223 62
39	Kosciusko - -	4,600 00	3,653 98	946 02
40	Knox - -	4,900 00	3,958 74	941 26
41	Lawrence - -	5,500 00	3,953 45	1,546 55
42	Laporte - -	5,500 00	4,281 79	1,218 21
43	Lagrange - -	5,500 00	4,276 38	1,223 62
44	Lake - -	4,000 00	3,058 76	941 24
45	Miami - -	5,300 00	4,076 38	1,223 62
46	Montgomery - -	5,387 50	3,387 50	2,000 00
47	Morgan - -	5,500 00	4,558 76	941 24
48	Marion - -	5,500 00	4,558 76	941 24
49	Madison - -	5,500 00	4,558 76	941 24
50	Martin - -	5,500 00	4,558 76	941 24
51	Monroe - -	5,500 00	4,558 76	941 24
53	Marshall - -	4,000 00	3,058 76	941 24
52	Noble - -	4,000 00	2,776 38	1,223 62
54	Newton - -	4,000 00	3,058 76	941 24
55	Orange - -	5,500 00	4,276 38	1,223 62
56	Owen - -	5,500 00	4,276 38	1,223 62
57	Parke - -	4,900 00	3,676 38	1,223 62
58	Posey - -	5,500 00	4,064 54	1,435 46
59	Perry - -	5,500 00	4,276 38	1,223 62
60	Pike - -	5,500 00	4,276 38	1,223 62
61	Putnam - -	5,500 00	4,558 72	941 28
62	Porter - -	4,000 00	2,776 41	1,223 59
63	Pulaski - -	4,000 00	2,776 38	1,223 62
64	Ripley - -	5,500 00	4,558 76	941 24
65	Randolph - -	5,500 00	4,276 38	1,223 62
66	Rush - -	5,500 00	4,276 38	1,223 62
67	St. Joseph - -	5,500 00	4,558 76	941 24
68	Scott - -	5,500 00	4,276 38	1,223 62
69	Switzerland - -	5,800 00	4,576 38	1,223 62
70	Spencer - -	5,500 00	4,276 38	1,223 62
71	Shelby - -	5,500 00	4,558 76	941 24
72	Sullivan - -	4,900 00	3,676 38	1,223 62
73	Steuben - -	4,000 00	2,776 38	1,223 62
74	Stark - -	4,000 00		4,000 00
75	Tippecanoe - -	4,900 00	3,676 38	1,223 62
76	Union - -	5,500 00	4,558 58	941 42
77	Vermillion - -	4,900 00	3,958 76	941 24
78	Vanderburgh - -	5,500 00	4,276 38	1,223 62
79	Vigo - -	4,900 00	3,958 76	941 24
80	Wabash - -	5,387 50	4,446 26	941 24

No. of Road, River, or County.	Road Commission- ers and names of Counties.	Amount of ap- propriation to each Road and County.	Amount paid to each.	Balance due to each.
81	Warren - -	4,900 00	3,958 76	941 24
82	Washington - -	5,500 00	4,558 77	941 23
83	Warrick - -	5,500 00	4,064 54	1,435 46
84	Wayne - -	5,500 00	4,064 54	1,435 46
85	Whitley - -	4,000 00	2,564 54	1,435 46
86	Wells - -	4,000 00	3,058 76	941 24
87	White - -	4,487 50	3,546 26	941 24
	Wabash appropria- tion - -	7,000 00	7,000 00	
		\$574,148 58	473,878 67	100,269 91

By the foregoing table, it will be perceived, that there has been specially appropriated to roads, rivers and counties, the sum of
\$574,148 58

The total amount received by the Agent,
from the United States and State Treasury, including also, \$959 56, premium
on sale of draft aforesaid, is \$497,299 37

From which deduct total amount of incidental expenses since the establishment
of the Agency up to this date, 5,033 94

492,265 43

\$81,883 15

Exhibiting a balance of appropriations over the amount received from the United States and other sources, of \$81,883 15.

All of which is respectfully submitted.

N. B. PALMER,
Agent 3 per cent. Fund.





REPORT
OF THE
TREASURER OF STATE,
IN RELATION TO THE SURPLUS REVENUE.

NOVEMBER 16, 1840.

To the General Assembly of the State of Indiana:

The undersigned herewith communicates the following report in relation to the operation and condition of the Surplus Revenue of the United States, deposited with this state under the provisions of the act of Congress of the 23d June, 1836, for the fourth quarter of 1839, and first, second, and third quarters of 1840.

The accompanying abstracts will exhibit the situation of the Surplus Revenue distributed among the several counties, so far as the undersigned is able to communicate from the reports which have reached this office from the Loaning Agents.

The neglect of Clerks of the Circuit Court, to certify to the Treasurer of State the fact of the Loaning Agent having entered into bond as required by law, complained of in my report of last year, still continues, and has, the present year, been more extensively neglected, than heretofore.

The neglect of this duty by the Clerks, cannot fail to result in great loss to the fund. I am already advised of instances, where Agents have continued to exercise the duties of the office since the first distribution of this fund, without having entered into bond and security, except for the first year; and are now stated to be defaulters to considerable amount, and they insolvent, and the state without security.

It should be made the duty of the County Board to appoint a successor to any Agent who shall neglect to enter into bond with approved security by the 1st Monday of May, in each year. Many of the Agents also neglect to report to this office quarterly, as required by law; but some improvement in the number and character of the reports, I am pleased to say, has occurred since my last report; yet out of 336 quarterly reports, being the aggregate from all the Agents, 96 have failed to reach this office.

By the operations of the law upon the collections of this fund, in cases where coercion becomes necessary, the interest is reduced one third, as our courts have decided that no debt can, after the rendition of judgment, draw more than six per cent. It therefore becomes the interest of the borrower to refuse payment—suffer suit and judgment, and get his interest reduced to six per cent. and a lengthy stay of execution; an inducement sufficiently strong to operate on many to choose this resort, which in effect upon the loss of the fund, is two-fold: First, it deprives the schools of one third of the interest; and second, it requires five sixths of the balance to pay attorneys' fees for collection, leaving barely one per cent. for the school fund.

The law should be so framed, that instead of a bounty for refusal to pay, a penalty should be imposed for neglect, at least sufficient to indemnify the State for the cost of collection, together with provision that the debt should carry the same interest after judgment as before.

A fixed per cent. for collection should be authorised by law, as under the present practice there is no uniformity; some charging extravagantly high, and others very low. I would suggest five per cent. on all sums under three hundred dollars and three per cent. on sums over that amount.

I still feel it my duty to reiterate the language of my former report, and urge, that this fund will be unsafe and much of it entirely lost, unless the practice of loaning it on personal security be abandoned.

Although in some counties and under the charge of some agents, it may be safe, yet in the general the losses will be no inconsiderable sum annually, and in a few years will form an aggregate which will be found to have amounted to, and wasted a considerable moiety of the principal originally deposited with the State. The loans made the present year have been over two thirds on personal security.

The amount of suspended debt cannot be determined by the reports, as most of the agents fail to make any mention of the amount in suit or otherwise in a suspended condition.

All of which is respectfully submitted.

N. B. PALMER,

Treasurer of State.

Tabular Statement of the operations of the Agencies for Loaning the

COUNTIES.	AGENTS.	Amount of interest received on loans.	Balance of principal on hand at close of last qr.	Balance of interest on hand at close of last qr.	Loans refunded.
Allen	Joseph Morgan				
Adams	John K. Evans	5 25			80 00
Bartholomew	Joshua Sims	20 62			
Boone	Adison Lane	34 66			862 77
Brown	Wm. Taggart				
Clark	Peter Smith	800 00			3,399 58
Clay	John B. Nees				
Crawford	Simeon S. Monk	265 73			661 74
Carroll	Samuel Grimes				
Cass	H. S. Thomas				
Clinton	J. H. Dunn				
Dearborn	John M'Pike				
Decatur	A. R. Forsyth				
Daviess	W. C. Berry				4,910 00
Dubois	J. Harris				
Delaware	Jas. Hodge				
Elkhart	J. H. Barnes	18 00			
Fayette	Robert D. Helm				
Floyd	Robt. Douney				
Franklin	John Wynn				
Fountain	Franklin Merrill				
Fulton	A. Chamberlain				
Gibson	John Hargrove	84 96	25 23	22 34	200 18
Green	John Jones, Jr.	8 06	38 33		
Grant	J. Bedsaul				
Hamilton	H. W. Clark	10 52	26 62	11 00	76 38
Harrison	A. Vance				
Hendricks	W. L. Matlock				
Henry	Wilson Clift	74 00		56 00	
Hancock	J. Milroy				
Huntington	G. A. Fate				
Jackson	Hugh A. Findley	35 31	35 60	92 63	407 09
Jefferson	J. D. Bright	18 06	172 12		33 33
Jennings	A. Andrews				
Johnson	G. Hicks	90 87	31 66		683 32
Jay	J. Pingry	20 94			133 33
Knox	C. Polke		35 00	25 00	
Kosciusko	P. L. Runyan	30 18	38 34	2 33	96 66
Lawrence	A. H. Dunihue	25 61	153 27		100 00
Lagrange	E. Littlefield	55 73	217 08	99 79	37 71

Surplus Revenue for the quarter ending on the 30th day of Nov. 1839.

Loans on mortgage security.	Loans on personal security.	Amount paid over to school commissioners.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
	25 00		55 00	5 25		No return.
400 00		20 62 34 60	462 77			No business done.
	3,390 58	800 00			1,020 00	No business done.
184 00	473 66	265 72	4 08			No business done.
2,824 00	2,086 00				656 20	No return. No business done. No business done. No return. No business done.
				18 00		No business done. No business done.
180 00	30 50 38 33	40 00	14 91	67 30 8 06	250 00	No return. No return. No business done. No return. No return.
	103 00	21 55				No business done.
		123 00	36 00	6 94		No business done. No business done. [late agent, \$103 60 In hands of A T Hart No business done.
	320 00 150 00	75 00 18 00	122 69 55 45	52 94		
300 00 100 00	283 32 10 00	89 07	131 66 23 33	1 80 20 94	156 67	No return.
	135 00 253 27 187 54	25 00 32 51 25 61 145 00	35 00			
			67 25	10 52		

Tabular Statement of the operation of the Agencies for Loaning the

COUNTIES.	AGENTS.	Amount of interest received on loans.	Balance of principal on hand at close of last qr.	Balance of interest on hand at close of last qr.	Loans refunded.	Loans on mortgage security.
Laporte	J. Brown	576 00				
Madison	J. Davis	7 10	77 59	57 91	16 87	
Marion	John Elder					
Martin	C. Rinehart					
Monroe	J. McCorkel	2 39			28 66	
Montgomery	W. S. Galey					
Morgan	J. Crawford	53 56			669 60	
Miami	A. Cole	32 96		96 00	45 89	
Marshall	S. D. Tabor	46 40				
Noble	Tho. Smith	155 00			121 64	
Orange	A. Morris					
Owen	J. Westfall					
Parke	J. P. Sunderland					
Pike	T. C. Stewart	5 00				
Perry	John Elder					
Posey	E. Kite.					
Putnam	J. Mahan	41 60	909 30		25 00	100 00
Porter	P. A Paine	66 94				
Randolph	W. M. Way	85 33			799 67	
Ripley	D. P. Shook					
Rush	F. Bigger					
Scott	J. V. White					
Shelby	R. Mayhuc					
Spencer	J. Jones					
Switzerland	J. F. Dufour	35 57		52	316 07	276 00
St. Joseph	E. P. Taylor	12 97		6 28	67 00	
Sullivan	A. Snapp					
Steuben	Joseph Pierce					
Tippecanoe	W. M. Jeners	6 80	85 16	214 78		85 16
Union	J. Perty	2 24				
Vanderburgh	N. Rawley	68 67	41 25	267 65	291 67	200 00
Vermillion	W. H. H. Scott					
Vigo	W. M'Faden					
Warrick	W. Smith	74 46	113 25	4 40	91 66	209 00
Washington	E. Newland	37 10			226 67	
Wayne	J. R. Lamson					
Warren	J. Loury	42 71	56 94	79 66	55 40	50 00
White	W. M. Kenton	55 86		236 59	108 33	
Wabash	J. D. Cassatt					

Surplus Revenue for the quarter ending on the 30th day of Nov. 1839.

Loans on personal security.	Amount paid over to school commissioners.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
	576 00			1,200 00	
	50 00	94 46	15 01		No return.
28 60	2 29				No business done.
					No return.
669 60	56 20				
	128 96	45 89			
			46 40		
	155 00	121 64			No business done.
					No return.
	5 00				No return.
					No return.
370 00	27 00	561 30	11 60	3,000 00	No business done.
	66 84				No return.
790 67	85 33				No business done.
					No business done.
					No return.
67 00			36 09		
67 00	19 25				No business done.
					No return.
	200 00		21 58		
			2 24		
200 00	302 68	32 92	33 64		No return.
					No return.
	40 73		38 13		
225 00	37 10	1 67			No business done.
50 62	120 00	10 72	2 38		
183 20	292 40			374 00	No business done.

Tabular Statement of the operations of the Agencies for Loaning the

COUNTIES.	AGENTS.	Amount of interest received on loans.	Balance of principal on hand at close of last yr.	Balance of interest on hand at close of last yr.	Loans refunded.
Allen	Joseph Morgan				
Adams	J. K. Evans	14 40	55 00	4 93	90 00
Bartholomew	J. Sims				100 00
Boone	A. Lane	43 25	462 77		442 00
Brown	W. Taggart	5 34			
Clark	Peter Smith				
Clay	John Osborn				
Crawford	S. S. Mauk				
Carroll	S. Grimes				
Cass	G. McBean				
Clinton	J. H. Dunn				
Dearborn	J. McPike				
Decatur	A. R. Forsyth				
Daviess	W. C. Berry				
Dubois	Daniel Harris				
Delaware	J. Hodge				
Elkhart	J. H. Barnes				
Fayette	R. D. Helm				
Floyd	R. Douney				
Franklin	J. Wynn				
Fountain	S. Merrill				
Fulton	A. Chamberlain				
Gibson	J. Hargrove	38 80	20 87		265 00
Green	J. Jones	2 00		8 06	
Grant	J. Bedsaul				
Hamilton	H. W. Clark	4 00			24 00
Harrison	A. Vance				
Hendricks	W. L. Matlock				
Henry	W. Clift	26 35			
Hancock	A. T. Hart				
Huntington	G. A. Fate				
Jackson	H. A. Findley	51 22	137 09	38 53	450 68
Jefferson	J. D. Bright	18 66	55 45		66 60
Johnson	F. M. Finch				
Jay	J. Pingry				
Knox	C. Polke		35 00		
Kosciusko	C. Lightfoot				
Lawrence	A. H. Dunihue	91 21			750 67
Lagrange	E. Littlefield	237 39	67 25	10 62	1664 54
Laporte	J. Brown				

Surplus Revenue for the quarter ending on the 29th day of Feb. 1840.

Loans on Mortgage security.	Loans on personal security.	Am't paid over to School Commissioners.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS-
	143 00	19 37				No return.
234 32	306 45	16 00 6 00	100 00 364 50 5 00	27 25 4 37		No return. No return. No business done. No return. No return. No business done. No return. No return. No return. No business done. No return. No return. No business done. No business done. No return. No return.
	285 00		87	33 80 10 06		No business done.
			24 00	4 00		No business done. No return.
		26 36				No return. No return.
190 00	282 10 100 00	70 00 18 66	115 67 22 11	12 76		No return. No return.
			35 00			No return. No return.
	750 67			91 21		No return.
1,476 73	314 00	164 23		83 78		No return.

Tabular Statement of the operations of the Agencies for loaning the

COUNTIES.	AGENTS.	Amount of interest rec'd on loans.	Balance of principal on hand at close of last qr.	Balance of interest at close of last quarter.	Loans refunded.
Jennings	A. Andrews				
Madison	John Davis	88 00	94 45	15 00	600 00
Marion	John Elder				
Martin	C. Renhart				
Monroe	J. McCorkle				
Montgomery	W. S. Gale				
Morgan	J. Crawford				
Miami	A. Cole	68 97	45 89		350 00
Marshall	S. D. Tabor			46 40	
Noble	T. Smith				
Orange	A. Morris				
Owen	J. Westfall				
Parke	J. P. Sunderland				
Perry	J. Elder				
Pike	T. C. Stewart				
Posey	E. Knight				
Putnam	J. Mahan				
Porter	P. A. Paine	10 00			300 00
Randolph	W. M. Way				
Ripley	D. P. Shook				
Rush	F. Bigger				
Scott	J. V. White			13 85	
Shelby	R. Mayhue				
Spencer	W. B. Peirce				
Switzerland	J. F. Defour				
St. Joseph	E. P. Taylor	7 77			200 00
Sullivan	A. Snapp				
Steuben	J. Pearce	10 66			133 33
Tippecanoe	W. M. Jenners	33 44		21 58	
Union	J. Perry	52 79	53 78	4 35	69 35
Vanderburgh	N. Rawley	12 12			84 99
Vermillion	W. H. H. Scott				
Vigo	W. McFadden				
Warrick	W. Smith	4 40			54 99
Washington	E. Newland	12 00	1 66		150 00
Wayne	J. R. Lamson				
Warren	J. Loury	30 00	10 72	2 38	50 00
White	W. M. Kenton				
Wabash	J. D. Cassatt				

Surplus Revenue for the quarter ending on the 29th day of Feb. 1840.

Loans on mortgage security.	Loans on personal security.	Am't paid over to School Commissioners	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
	600 00		94 45	103 00		No return.
395 89		68 97 46 40				No return. No business done. No business done. No business done. No business done.
300 00		10 80		13 20		No return. No business done. No return. No return. No return. No business done. No return.
				13 85		No business done. No return. No return. No business done. No business done. No business done. No business done. Atty's fees \$15 38. No business done.
133 33		10 66 55 02 57 14	192 37 13 22 17 91			
	110 00			12 12		
150 00		4 40	50 91 1 66	12 00		No return. No return:
	50 00		10 72	32 38		No business done.
						No return. No business done.

Tabular Statement of the operations of the Agencies for Loaning the

COUNTIES.	AGENTS.	Amount of interest received on loans.	Balance of principal on hand at close of last qr.	Balance of interest on hand at close of last qr.	Loans refunded.
Allen	J. Morgan	135 40			950 67
Adams	J. K. Evans	51 58			460 10
Bartholomew	J. Sims	412 37			765 75
Boon	A. Lane	221 38	364 50		2,978 86
Brown	Wm. Taggart	83 63	5 00	4 37	639 28
Clark	Peter Smith				
Clay	J. B. Nees				
Crawford	Simeon Monk				
Carroll	H. J. Harris				
Cass	W. T. Stewart				
Clinton	J. H. Dunn	303 00			347 12
Dearborn	C. W. Wright				
Decatur	A. R. Forsyth	686 02			980 00
Daviess	W. L. M'Cutchen				
Dubois	D. Harris				
Delaware	J. Hodge	138 40			1,742 91
Elkhart	John Cook				
Fayette	Samuel Rees				
Floyd	Robert Downey	629 36			437 00
Franklin	J. Wynn	703 78			2,789 66
Fountain	Geo. Shokey				
Fulton	A. F. Smith	81 20			
Gibson	J. Hargrove	282 13	87	38 80	2,214 10
Green	J. Jones jr.	82 66		10 06	83 33
Grant	J. Bedsaul	77 29		8 61	541 82
Hamilton	Nath'l Hall	203 12	137 15	149 07	931 16
Harrison	A. Vance	655 79			4,523 50
Hendricks	W. L. Matlock	330 46			4,130 77
Henry	M. L. Bundy	508 12			
Hancock	J. Milroy				
Huntington	G. A. Fate	42 40			120 00
Jackson	H. A. Findley	259 70	115 67	12 76	2,015 29
Jefferson	J. D. Bright	578 00	22 11		4,799 49
Jennings	A. Andrews	115 98			
Johnson	G. Hicks	440 37			4,720 77
Jay	R. L. Hewitt				
Knox	C. Polke	402 63	35 33	66	5,094 67
Kosciusko	Peter L. Runyan				
Lawrence	A. H. Dunihue	575 60		91 21	869 67
Lagrange	F. S. Jewett	221 78	38 13	42 23	1,782 41

Surplus Revenue for the quarter ending on the 31st day of May, 1840.

Loans on mortgage security.	Loans on personal security.	Amount paid over to School Commissioners.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
		135 40	950 67		466 67	Atty's fees, \$5 00.
	504 93			51 58		
	630 00	412 37	135 75			
1,322 00	1,957 76	221 36	63 60	08		
440 56	73 75	79 63	130 00	8 37		
						No return.
						No return.
						No return.
						No return.
347 12		305 00				No return.
526 67	453 33	686 02				No return.
					875 34	
169 00	1,561 33	400 00	12 59	13 33		No return.
						Att'ies' fee \$40 00.
						No return.
						No return.
	326 00		111 00	629 36		
	2,789 66	795 56	30 00	8 22		
						No return.
200 00	862 80	84 20				
265 00	1,921 53	320 93	28 44			
	83 33	92 73				
541 82		35 00		50 90		
800 00	430 50	352 00	4 81	19		
	4,338 00		185 50	655 79		
3,425 00	705 77	275 75		54 71		
		444 12		64 00		
						No return.
			120 00	42 40		
962 00	1,588 60	200 00		76 46		
	4,800 00	517 00	22 12			Att. fees \$61 66,
		115 98				
1,698 17	3,022 60			440 37		
1,630 00	3,278 67	395 00	186 00	8 25		No return.
						No return.
	869 67	666 81				
1,555 73	320 21	164 23		99 78		

Tabular Statement of the operation of the Agencies for Loaning the

COUNTIES.	AGENTS.	Amount of interest received on loans.	Balance of principal on hand at close of last qr.	Balance of interest on hand at close of last qr.	Loans refunded.
Laporte	B. M. Newkirk	304 00		1 00	917 75
Madison	J. Davis	101 78	94 45	103 00	114 00
Marion	John Elder				
Martin	C. Rhenhart				
Monroe	J. McCorkle	450 00			3,105 45
Montgomery	W. S. Galey	730 00			
Morgan	J. Crawford	250 00			3,125 00
Miami	A. Cole				
Marshall	S. D. Tabor	92 00			400 00
Noble	A. Pancake				
Orange	A. Morris	557 68			
Owen	Isaac Teal				
Parke	J. P. Sunderland	142 43			843 33
Perry	John Elder				
Pike	Tho. C. Stewart				
Posey	E. Kite	568 35			7,104 49
Putnam	J. Mahan				
Porter	P. A. Paine	24 00			341 67
Randolph	W. M. Way	489 63			3,401 32
Ripley	D. P. Shook	330 23			3,335 91
Rush	F. Bigger				
Scott	J. V. White	166 89	53 31	12 16	538 56
Shelby	R. Mayhue	475 93	6 18		1,310 64
Spencer	W. B. Pierce	244 35			1,081 58
Switzerland	J. F. Dufour	202 58		36 09	259 67
St. Joseph	J. McCullough	394 24	600 03		2,758 89
Sullivan	A. Snapp				
Steuben	J. Pierce				
Tipppecanoe	W. M. Jenners	190 00			1,666 67
Union	J. Anderson	558 07	13 22		6,088 92
Vanderburgh	N. Rawley	37 35	17 91	12 46	521 64
Vermillion	W. H. H. Scott	428 50	52	4 00	3,619 00
Vigo	W. M'Fadden	515 78	400 00	32 00	2,697 83
Warrick	W. Smith	132 05	50 91		630 83
Washington	E. Newland	804 18	1 66	12 00	3,367 06
Warren	J. H. Buell	110 74	10 72	32 38	675 00
Wayne	J. R. Lamson	1,156 46			2,805 00
White	W. M. Kenton	56 00			729 66
Wabash	J. D. Cassatt	66 20			460 00

Surplus Revenue for the quarter ending on the 31st day of May, 1840.

Loans on mortgage security.	Loans on personal security	Amount paid over to school commissioner.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
917 75	109 00	255 00	99 45	1 00 204 78	591 46	At. fees \$48 00.
1,396 12	2,571 67	450 00	137 66			No return.
200 00	2,925 00	730 00 250 00			3,069 00	No return.
400 00		32 00				No business done.
		532 68		25 00	610 00	At. fees \$60 00.
72 00	716 66		54 66	142 42		No return.
3,970 00	3,131 49	568 35				No return.
	3,401 32	489 63	341 67	24 00		No return.
	3,335 91			330 23		No return.
200 00	395 00			179 05		No return.
171 00	1,145 82	470 00		5 93		
100 00	981 58	244 35				
	210 67			238 67		
333 00	2,925 92	394 24	100 03			No return.
1,200 00	450 00	165 00	16 67	56		No business done.
700 00	5,397 92	527 76	8 88	17 05		At. fees \$25 00.
175 00			364 55	49 81		At. fees \$13 32.
433 34	2,956 33	250 00	229 86	182 50		
633 33	2,460 00	515 78	4 50	32 00	1,966 00	
268 00		132 05	413 74			
	3,368 52	796 18				At. fees \$20 00.
200 00	485 73	56 81		78 05		At. fees \$8 25.
	2,705 00	1,146 40	100 00		288 27	At. fees \$10 00.
700 00		41 00	29 66			At. fees \$15 00.
	400 00	66 20	60 00			

Tabular Statement of the operations of the Agencies for Loaning the

COUNTIES.	AGENTS.	Amount of interest received on loans.	Balance of principal on hand at close of last qr.	Balance of interest on hand at close of last qr.	Loans refunded.
Allen	Joseph Morgan	123 38	950 67	466 67	950 00
Adams	J. K. Evans	102 25		52 93	1,004 79
Bartholomew	J. Sims	170 16			
Boone	A. Lane	49 33	63 60		555 20
Brown	W. Taggart	48 20	130 00	8 37	227 33
Clark	Peter Smith				
Clay	John B. Nees				
Crawford	Simeon S. Monk	209 86			166 66
Carroll	H. J. Harris				
Cass	W. Z. Steuart	431 61			1,549 33
Clinton	J. H. Dunn				
Dearborn	C. W. Wright	488 98	167 00	44 80	659 00
Decatur	A. R. Forsyth				
Daviess	W. L. M'Cutchen				
Dubois	Daniel Harris	150 81			2,381 59
Delaware	J. Hodge	337 50	12 57	13 36	2,839 78
Elkhart	John Cook				
Fayette	Sam'l Rees				
Floyd	R. Downey	51 64	111 00	629 36	133 00
Franklin	J. Wynn	165 78	30 00	8 22	648 20
Fountain	G. Shockey	645 66			420 58
Fulton	A. F. Smith				
Gibson	John Hargrove	180 59	28 44		352 33
Green	John Jones, Jr.	159 85			253 00
Grant	J. Bedsaul	85 20		50 90	174 45
Hamilton	N. Hall	23 42	4 81	19	269 00
Harrison	A. Vance	210 83	185 50	655 79	802 50
Hendricks	W. L. Matlock				
Henry	M. L. Bundy	340 00		64 00	3,240 66
Hancock	J. Milroy				
Huntington	G. A. Fate	121 12	120 00	42 00	
Jackson	Hugh A. Findley	136 85		72 46	1,094 83
Jefferson	W. Hendricks jr.				
Jennings	A. Andrews				
Johnson	G. Hicks				
Jay	R. L. Hewit				
Knox	C. Polke	271 00		8 25	3,657 66
Kosciusko	P. L. Runyan				
Lawrence	A. H. Dunihue	110 74			
Lagrange	F. F. Jewett	95 42		63 09	123 98

Surplus Revenue for the quarter ending on the 31st day of Aug. 1840.

Loans on mortgage security.	Loans on personal security.	Amount paid over to school commissioners.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
		123 33	1000 67			
40	187 19	155 93				
		170 16				
223 69	393 11	49 33				
271 00	76 55	40 00		16 57		No return.
						No return.
133 33		299 86	33 33	8 00		
	1,549 35	131 61			1293 53	At. fees \$21 02
483 00	343 00	520 00		13 78		No business done.
						No business done.
						No return.
1,011 20	1,370 30	150 81				
675 00	2,111 58	300 00	65 77	37 50		No return.
						No return.
	244 00	713 60				
	678 20	171 01				
	382 90	331 31	37 68	11 22		
						No return.
	251 60	130 00	129 10	55 50		
	253 00	150 00		9 85		
158 67	15 75			136 00		
	273 81	22 00		1 61		
	976 50		12 50	806 62		
						No business done.
2,140 60	1,400 00	290 00		111 00		
						No return.
	33 00	92 71	87 00	63 38		
700 00	553 19	168 00		41 00		At. fees \$4 31
						No return.
						No business done.
						No return.
						No return.
1,255 00	2,287 66	225 00		60 00		
						No return.
		110 71			560 00	
	16 17	240 00				

Tabular Statement of the operations of the Agencies for Loaning the

COUNTIES.	AGENTS.	Am't of interest received on loans	Balance of prin- cipal on hand at close of last qr.	Balance of inter- est on hand at close of last qr.	Loans refunded.	Loans on mort- gage security.
Laporte	B. M. Newkirk	139 84		3 84	48 00	
Madison	J. Davis	87 68	94 45	204 78	429 23	320 00
Marion	John Elder					
Martin	C. Rinehart					
Monroe	J. M'Corkel	75 00			76 57	
Montgomery	W. S. Galey	310 48				
Morgan	J. Crawford	30 00			1625 00	
Miami	A. Cole	64 00			800 00	800 00
Marshall	S. D. Tabor					
Noble	A. Pancake.					
Orange	A. Morris	2 40			30 00	
Owen	J. Teal					
Parke	J. P. Sunderland	301 66	54 66	142 42	684 99	
Perry	John Elder					
Pike	T. C. Stewart					
Posey	E. Kite.	73 29			916 20	809 00
Putnam						
Porter	P. A. Paine	122 31	341 67	24 00	110 44	
Randolph	W. M. Way	84 02			426 66	
Ripley	D. P. Shook					
Rush	F. Bigger					
Scott	J. V. White					
Shelby	R. Mayhue	91 37		5 93	870 00	400 00
Spencer	J. Jones					
Switzerland	J. F. Dufour	48 46		238 67	83 92	
St. Joseph	J. M'Cullough					
Sullivan	A. Snapp					
Steuben	Joseph Pierce	134 67			267 00	267 00
Tippecanoe	W. M. Jenners	127 02	16 67	56	866 67	750 00
Union	E. Jarrel	96 30			1066 00	
Vanderburgh	N. Rawley	145 79	364 65	49 81	853 65	966 00
Vermillion	W. H. H. Scott	197 60	229 86	182 50	816 00	150 00
Vigo	W. M'Faden					
Warrick	W. Smith	108 26	113 74		384 07	575 00
Washington	E. Newland	75 00				
Wayne	J. R. Lamson	452 00			957 28	
Warren	J. H. Buel	207 03		78 05	1426 65	
White	G. A. Spencer	148 00				
Wabash	J. D. Cassatt	170 04			941 56	

Surplus Revenue for the quarter ending on the 31st day of Aug. 1840.

Loans on personal security.	Amount paid over to school commissioners.	Balance of principal on hand.	Balance of interest on hand.	Suspended debt mostly in suit.	REMARKS.
48 00	137 00		3 00		
123 00	251 00	100 68	25 46		Attorneys fees \$6 00.
					No return.
76 57	75 00		57 70		
	310 48				
1,625 00	130 00				Attorneys fees \$3 00.
	61 00				No return.
					No return.
	2 40	30 00			
675 00	441 08	64 66			No return.
					No return.
116 20			73 29		No return.
452 11	146 31				
426 66	84 02				No return.
					No return.
					No return.
462 19		7 81	100 30		No return.
50 00	277 13				Attorneys fees \$10 00.
					No return.
					No return.
	131 67				
	127 02	133 34	56		
1,066 00	96 30				
78 00		174 20	195 60		
764 00	300 00	131 86	80 10		No return.
310 07	108 27	222 82			
	75 00				
957 24	152 09				
1,335 00	165 00	91 65	120 08		
	107 42				
911 56	170 04				



Sum of 1000 1000

1000 - 1000 = 0
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1000

REPORT
OF THE
AUDITOR OF PUBLIC ACCOUNTS.

NOVEMBER 15, 1840.

Printed in accordance with an act of the General Assembly, entitled
"An act to provide for the Public Printing;" approved Feb. 16, 1839.

AUDITOR'S OFFICE, }
Nov. 15, 1840. }

*To the Honorable Speaker of the
House of Representatives, and
President of the Senate:*

Gentlemen—Herewith I have the honor, in obedience to "an Act concerning the Auditor of Public Accounts and Treasurer of State," to submit my annual report for the financial year 1840, which you will please lay before the respective branches of the General Assembly over which you preside.

Document No. 1, is an exhibit of the amount of receipts and expenditures from the 31st of October, 1839, to the 31st of October, 1840. The receipts, it will be seen, amount to \$1,694,158 13, and the expenditures to \$1,684,936 90, showing a balance in the treasury on the 31st of October, 1840, (provided all warrants audited to that date are paid) the sum of \$9,221 23.

Document No. 2, is a statement in tabular form, of the assessments of revenue in each county for 1840. This shows the number of polls, quantity of land, value of lands and improvements, value of town lots, corporation stock, personal property, and the total valuation of all taxables; also the amount assessed thereon at the rate of 15 cents on the one hundred dollars value thereof, for 1840. To this is added,

DOCUMENT No. 3.

Tabular statement of the Assessment made in the respective counties of State Revenue for 1840.

Name of county.	No. of acres assessed.	Value of lands and improvements.	Value of town lots.	Value of corporation stock.	Value of all personal and real property.	Total value of all taxable property in 1839.	Amount of tax on property and poll.	Total value of all taxable property in 1840.	Increase of taxable property since 1839.	Decrease of No. of polls in 1839.	No. of polls in 1840.	Increase of polls since 1839.
1 Allen	58,717	45,336	\$97,336	\$34,897	200,035	1,056,595	\$2,219.39	\$710,588	306,907	714	1,284	570
2 Adams	7,805	59,906	112,114		30,189	87,600	2,000.08	1,330,519	65,791	1,195	1,270	75
3 Bartholomew	101,716	109,648	112,114		305,386	1,473,725	2,900.08	1,730,519	53,898	1,094	1,170	76
4 Boone	100,312	92,637	65,957		115,370	709,470	1,776.70	1,437,000	11,370	273	265	82
5 Brown	1,559	39,889	169		46,462	77,769	591.44	40,830	1,769	150	218	68
6 Buckland	35,821	35,821			16,678	52,509	181.89	2,409,460	51,923	1,714	1,945	231
7 Carroll	190,753	277,592	203,026	1,985	318,434	1,891,537	3,803.81	2,005,941	51,480	657	836	108
8 Cass	39,455	190,000	25,710	975	425,882	200,151	933.63	331,203	52,051	500	300	200
9 Clay	27,430	104,000	31,530	275	95,389	200,151	743.72	331,203	52,051	500	300	200
10 Crawford	37,028	104,000	31,530	275	95,389	200,151	743.72	331,203	52,051	500	300	200
11 Carroll	102,257	68,233	92,637	500	100,592	986,657	2,067.99	1,128,008	21,922	1,301	1,176	125
12 Cass	67,457	327,705	67,914		173,686	1,069,335	1,636.15	731,816	43,455	1,074	1,123	49
13 Clinton	31,516	327,705	67,914		173,686	1,069,335	1,636.15	731,816	43,455	1,074	1,123	49
14 Chatham	9,114	141,005	54,621	214,762	343,403	651.62	1,112,859	580,217	10,430	1,159	1,577	418
15 Decatur	137,221	144,807	114,807		561,537	1,898,001	3,391.08	1,411,232	10,430	847	1,086	239
16 DeKalb	68,716	60,229	77,005		190,189	643,101	1,216.65	607,990	31,403	1,216	1,161	55
17 Douglas	78,398	51,837	85,878		154,003	739,908	1,800.71	877,914	118,106	1,161	1,322	161
18 DeKalb	1,891	11,083	301		11,572	75,561	211.84	10,570	16,991	240	317	77
19 DeKalb	77,402	429,433	139,514	1,510	538,296	2,505,081	4,430.99	709,307	69,081	1,077	1,116	39
20 Elbert	27,430	104,000	31,530	275	95,389	200,151	743.72	331,203	52,051	500	300	200
21 Fayette	127,430	104,000	31,530	275	95,389	200,151	743.72	331,203	52,051	500	300	200
22 Floyd	17,100	125,772	915,399	44,328	476,081	2,472,193	4,672.39	2,889,491	37,308	1,885	1,755	130
23 Franklin	182,667	1,401,340	131,970	1,375	419,921	1,874,536	3,839.30	2,370,492	306,310	1,885	1,755	130
24 Fulton	12,201	70,107	15,805	10,541	51,267	137,339	284.00	135,541	91,781	164,876	1,372	356
25 Gilmer	118,892	776,007	60,229	350	423,469	1,898,001	3,391.08	1,411,232	10,430	847	1,086	239
26 Gilmer	32,558	392,804	31,435	2,000	178,923	653,103	1,216.65	607,990	31,403	1,216	1,161	55
27 Grant	42,377	392,804	31,435	2,000	178,923	653,103	1,216.65	607,990	31,403	1,216	1,161	55
28 Hamilton	133,669	935,881	48,377	5,000	912,232	1,253,339	2,618.50	1,216,762	36,577	1,112	1,112	80
29 Harrison	194,327	830,548	6,732	2,000	912,232	1,253,339	2,618.50	1,216,762	36,577	1,112	1,112	80
30 Harrison	185,137	830,548	6,732	2,000	912,232	1,253,339	2,618.50	1,216,762	36,577	1,112	1,112	80
31 Hendricks	168,892	1,083,898	139,183	2,900	963,784	1,581,821	3,156.33	1,505,079	189,568	1,508	1,350	158
32 Henry	114,910	1,083,898	139,183	2,900	963,784	1,581,821	3,156.33	1,505,079	189,568	1,508	1,350	158
33 Hancock	164,541	94,875	21,982	500	119,773	973,284	2,026.12	833,402	30,882	116,627	233	166
34 Harp	96,540	577,950	47,884		34,409	154,060	382.10	270,683	74,197	1,000	1,236	236
35 Huntington	162,643	1,569,534	1,803,767	247,672	654,107	3,575,082	6,314.93	4,053,138	122,367	2,417	2,382	35
36 Jefferson	81,127	1,803,767	77,005		207,236	1,698,445	3,101.67	1,370,676	228,718	1,233	1,407	174
37 Johnson	2,092	13,125			62,445	75,570	418.85	58,019	17,551	178	611	433
38 Jay	156,920	976,085	470,085	68,790	450,082	1,064,943	3,735.91	1,298,672	163,729	1,498	1,584	86
39 Jasper	9,612	50,933	3,600		191,017	615.32	116,235	41,780	41,780	1,078	1,557	479
40 Jasper	146,518	1,085,881	225,073		1,029,900	3,219.05	2,305,486	1,463	61,165	1,078	1,557	479
41 Lawrence	90,869	148,261	25,073		1,029,900	3,219.05	2,305,486	1,463	61,165	1,078	1,557	479
42 Lawrence	112,530	566,445	20,314	71,040	1,029,900	3,219.05	2,305,486	1,463	61,165	1,078	1,557	479
43 Laporte	9,612	50,933	3,600		191,017	615.32	116,235	41,780	41,780	1,078	1,557	479
44 Lake	9,612	50,933	3,600		191,017	615.32	116,235	41,780	41,780	1,078	1,557	479
45 Madison	98,314	55,268	21,982	13,085	170,852	807,292	1,855.30	1,130,025	323,423	1,444	1,319	125
46 Marion	23,187	799,406	13,884		485,686	3,408,564	6,314.93	4,053,138	122,367	2,417	2,382	35
47 Martin	31,587	13,884			187,061	563.59	291,076	1,012,580	31,015	580	566	14
48 Monroe	276,201	2,086,728	97,883	3,000	477,907	2,772,319	5,257.38	3,040,927	277,508	2,104	2,257	153
49 Montgomery	121,173	1,009,029	10,905	933	288,150	2,908.62	1,458,856	1,777.2	1,458,856	1,777	1,458	138
50 Morgan	15,731	120,622	6,839		37,000	97,600	239.50	173,300	32,700	279	290	11
51 Miami	18,377	43,339	19,445		36,766	113,233	447.35	118,233	12,332	469	580	111
52 Marshall	14,578	43,339	19,445		36,766	113,233	447.35	118,233	12,332	469	580	111
53 Noble	100,639	62,641	25,073		381,071	1,183,461	2,447.35	1,372,432	1,425	1,404	1,404	14
54 Orange	141,693	62,641	25,073		381,071	1,183,461	2,447.35	1,372,432	1,425	1,404	1,404	14
55 Owen	40,628	145,446	98,473		203,359	604,317	1,505.93	717,269	83,052	986	1,019	31
56 Parker	141,693	62,641	25,073		381,071	1,183,461	2,447.35	1,372,432	1,425	1,404	1,404	14
57 Perry	33,679	190,785	41,221	650	151,364	359,914	913.87	457,414	52,043	765	748	17
58 Pickens	121,341	776,990	40,274	500	384,376	1,310,344	2,721.86	1,350,653	40,274	1,206	1,313	107
59 Polk	186,005	1,447,712	51,473		419,310	2,018,935	4,124.95	2,363,990	122,412	2,193	2,193	12
60 Putnam	13,882	60,917	1,171		55,672	116,289	279.85	193,100	3,663	71	117	46
61 Porter	231	1,411			119,323	785,580	1,897.01	795,003	6,914	1,253	1,437	184
62 Randolph	99,714	612,398	6,143		160,339	309,586	1,929.05	1,049,957	29,571	1,430	1,437	7
63 Raleigh	106,576	2,405,257	1,083	1,100	542,118	3,049,576	6,843.63	3,456,481	46,723	2,188	2,369	181
64 Rusk	2,405,257	1,083			980,209	1,858,336	3,666.37	1,718,479	10,816	630	662	32
65 Sevier	908,418	1,734,987	13,871		288,328	763.80	2,447.35	1,372,432	1,425	1,404	1,404	14
66 Sevier	2,405,257	1,083			980,209	1,858,336	3,666.37	1,718,479	10,816	630	662	32
67 Shelby	121,008	384,712	8,315		149,837	591,851	1,655.16	782,471	5,125	1,890	1,939	49
68 Sherrill	113,066	717,795	7,421		253,335	737,106	1,655.16	782,471	5,125	1,890	1,939	49
69 South	112,639	717,795	7,421		253,335	737,106	1,655.16	782,471	5,125	1,890	1,939	49
70 Spencer	908,418	1,734,987	13,871		288,328	763.80	2,447.35	1,372,432	1,425	1,404	1,404	14
71 Sullivan	121,008	384,712	8,315		149,837	591,851	1,655.16	782,471	5,125	1,890	1,939	49
72 Switzerland	113,066	717,795	7,421		253,335	737,106	1,655.16	782,471	5,125	1,890	1,939	49
73 Tazewell	908,418	1,734,987	13,871		288,328	763.80	2,447.35	1,372,432	1,425	1,404	1,404	14
74 Tippah	1,990	13,315	2,610		547,411	2,845,158	5,257.38	3,040,927	277,508	2,104	2,257	153
75 Union	234,423	1,074,945	38,065		306,069	1,422,003	2,740.63	1,350,653	40,274	1,206	1,313	107
76 Van Buren	169,558	935,841	87,329	51,591	331,080	1,155,755	2,402.63	1,196,086	25,337	1,652	1,338	314
77 Vicksburg	122,019	685,677	27,464,944	5,044.51	3,369,400	1,048.79	1,048.79	3,369,400	632,815	2,014	1,902	112
78 Warren	127,913	317,547	7,182		143,443	428,173	1,048.79	1,048.79	632,815	2,014	1,902	112
79 Wayne	198,083	1,484,475	86,371	15,505	633,362	2,361,713	4,578.07	5,163,538	122,160	2,073	2,051	22
80 Washington	245,490	2,474,325	10,656	53,662	839,534	4,370,307	8,416.09	5,163,538	75,000	2,073	2,051	22
81 Wayne	112,027	730,864	4,997		268,169	1,155,000	2,948.04	1,179,008	111,656	850	921	71
82 Warren	41 White	11,210	1,121		81,487	277,532	765.75	392,814	4,7	45,011	303	257
83 Wash	2,698	232,622	11,210		30,374	56,124	237.19	34,556	91.8	197	306	109
84 Webb	3,114	14,755			24,300	39,114	158.97	26,641	155	200	200	45
85 Whitely	8,273,120	56,343,992	183,519	1,168,242	19,740,166	91,756,019	182,786.97	107,037,715	1,268	16,849,382	94,197	7,335

REPORT
OF THE
AUDITOR OF PUBLIC ACCOUNTS.

NOVEMBER 15, 1840.

Printed in accordance with an act of the General Assembly, entitled
"An act to provide for the Public Printing;" approved Feb. 16, 1839.

AUDITOR'S OFFICE,
Nov. 15, 1840. }

*To the Honorable Speaker of the
House of Representatives, and
President of the Senate:*

Gentlemen—Herewith I have the honor, in obedience to "an Act concerning the Auditor of Public Accounts and Treasurer of State," to submit my annual report for the financial year 1840, which you will please lay before the respective branches of the General Assembly over which you preside.

Document No. 1, is an exhibit of the amount of receipts and expenditures from the 31st of October, 1839, to the 31st of October, 1840. The receipts, it will be seen, amount to \$1,694,158 13, and the expenditures to \$1,684,936 90, showing a balance in the treasury on the 31st of October, 1840, (provided all warrants audited to that date are paid) the sum of \$9,221 23.

Document No. 2, is a statement in tabular form, of the assessments of revenue in each county for 1840. This shows the number of polls, quantity of land, value of lands and improvements, value of town lots, corporation stock, personal property, and the total valuation of all taxables; also the amount assessed thereon at the rate of 15 cents on the one hundred dollars value thereof, for 1840. To this is added,

with a view to comparison, columns showing the assessment for 1839, and giving the *increase or decrease*, as the case may be, of the value of the taxable property in each county, from 1839 to 1840: and a like comparison as regards the number of taxable polls for the same period. It will be seen by this table, that the number of polls assessed in the State for 1840, is 100,166, leaving the counties of Benton, Dubois, and Monroe out, from which no returns have, as yet, been received. The number of polls assessed for 1839, is 91,197, showing an increase 5,969 taxable polls in 1840. Some of the counties show a decrease of polls since 1839, but this is accounted for by the removal of the laborers on the public works, in those counties, previous to the assessment for 1840 being made.

The number of acres of land assessed for 1840 is 8,273,120, valued at \$58,341,992. The number of acres assessed in 1839 is 7,475,320, valued at \$65,951,879, showing a decrease in the value of the taxable lands of the State, from May 1839 to May 1840, of \$14,650,064, and this too with the increase of 797,800 acres, taxable for the first time in 1840. Had the lands sustained their valuation of 1839, instead of \$58,343,992, their present valuation, they would have amounted to \$72,994,056.

The valuation of all town lots amounts to 12,503,519 dollars.— That of 1839 was 11,676,372 dollars, showing a decrease of value, notwithstanding the buildings erected in 1840, of 2,172,853 dollars.

The valuation of corporation stock amounts to 1,168,342 dollars; last year 869,630, showing an increase, in this item, of 298,712.

The valuation of all personal property for 1840 amounts to 19,740,166 dollars, that of 1839 is 23,687,534 dollars, showing a decrease in the value of personal property of 3,947,368.

The total value of all taxable property, both real and personal, for 1840 is 91,756,018 dollars. The total value last year 107,037,715 dollars; decrease since 1839 15,281,696 dollars, to which should be added, in order to show the actual *decrease* in value of taxable property from 1839 to 1840, the valuation of the additional lands taxable for the first time in 1840, being 797,800 acres at \$7 05 per acre, amounting to 5,624,490 dollars, which, added to the 15,281,696 dollars, make 20,906,186 dollars, which is near the true amount of decrease of valuation of the property of the State from May 1839 to May 1840, which, to each tax-payer, is an average loss of \$208 75 in the value of property from 1839 to 1840.

The total amount of State revenue assessed on lands, property and polls for 1840 amounts to \$192,786 97.

The assessments for 1839 amounted to \$302,688 08, showing a decrease in the assessments this year of \$170,901 11.

Statement No. 3, exhibits the number of acres of land assessed in each county, the valuation thereof and the average price per acre for the years 1839 and '40. The object of this table is more particularly to show that counties similarly situated as to soil, advantages of public water or otherwise, vary widely in their valuations, and that no fixed or certain rule obtains as to the valuation of lands in most of the counties. The practice is generally to ask the owner as to the value of his property, and then to assess on that basis, or to assess on the value of the property as shown by the assessment for the year 1839, and to add to that the increase or decrease in the value of the property since 1839.

tion, as the law requires. If this radical defect is ever remedied it can only be done by a State Board of equalization. This subject has been repeatedly brought to the notice of the General Assembly, and is again noticed with a hope that it will receive that attention which its importance merits.

Statement No. 4, exhibits the total valuation of all taxable property, the amount assessed for internal improvements and the average amount assessed to each tax payer, in each county, for the year 1840, for internal improvement purposes alone. By this table it will be seen, that the value of all taxable property for 1840 is 91,756,019 dollars. One third of this amount is set apart for internal improvement purposes, making the sum of 45,878 as the amount assessed for this object alone.

The number of polls taxable for 1840 is 100,166 dollars, and the average amount paid by each tax payer in the State, for internal improvement purposes this year is 36 3-5 cents. Last year the amount paid was \$2 69 1-2 to each poll. From the amount assessed there should be deducted about 20 per cent., the probable amount of expenses of collection, delinquencies, &c., which, deducted from 45,878 dollars, will leave the sum of \$36,722 40 as the probable amount to be realized for internal improvement purposes for 1840.

Statement No. 5, exhibits the estimated quantity of land in the State to which the Indian title is extinguished, (except that part recently purchased in the Great Miami Reserve) the quantity sold and the quantity remaining unsold, up to the 30th September 1839, as per report of Commissioner of General Land Office; also the quantity assessed for taxation in 1840, the quantity which *should* have been taxed for 1840, the quantity neglected or omitted to be taxed for 1840, the value of unassessed though taxable lands in 1840 at the average price per acre of \$7 05, and also the amount of taxes lost on lands alone by reason of negligence of assessors or by reason of the present inefficient revenue laws.

By this table it will be seen that the estimated quantity of land in the State to which the Indian title is extinguished, (Miami Reserve excepted) is 20,457,394 acres. The quantity of land sold up to the 30th September 1839, is 15,061,620 acres. The quantity remaining unsold is 5,395,774 acres. The quantity of land taxed in 1840 is 8,273,120. The quantity of land taxable in 1840 is 10,509,026 acres. The quantity of land therefore which escaped taxation is 2,235,906 acres. The value of these lands at the average price per acre throughout the State for this year is \$15,763,137, and the loss *in taxes* for this year at the low rate of 15 cents on the \$100, amounts to \$23,644. I know of no way of bringing this subject more forcibly to the notice of the General Assembly than the one I have adopted. I have repeated it for several years past, with a hope that it would receive that attention which its importance so imperiously demands. Nothing short of a revision of the present revenue law, with the introduction of many new features will render it efficient, and ensure the collection of taxes on all property.

Statement No. 6. is an exhibit of the amount which has been realized by taxation for internal improvements during the years 1837, '38, '39 and '40. Also, the average amount paid by each tax-payer, during these years, for internal improvement purposes alone.

By this it will be seen, that in 1837 there was raised by taxation for internal improvement purposes 40,000 dollars, there having been that year 82,921 polls, makes the average to each 48 1-4 cents. In 1838 there was raised 38,000 dollars, which is an average to each tax-payer of 42 1-2 cents.

In 1839 the number of taxable polls was 94,197, and the amount realized from taxation 263,116 dollars. The average amount paid by each tax-payer for internal improvements was \$2 76.

The probable amount to be realized by taxation for 1840 for internal improvement purposes is 36,722 dollars, making the average amount to each tax-payer 36 3-5 cents.

Also, it will be seen by this table, that the average amount paid by each tax-payer from the commencement of the internal improvement system to and including 1840 is \$1 03 3-5 cents for internal improvements, and the whole amount paid for internal improvements is 377,838 dollars. This, however, is exclusive of the expenses of issuing treasury notes and the amount paid in treasury notes to contractors on public works, which will be found in Table No. 1.

Statement No. 7, is an exhibit of the whole cost of the State Prison, the amount paid for transportation of convicts, for agents and visitors, and the amount received for rents from its first erection to 31st October 1840.

By this it will be seen that the whole cost of every kind amounts to 47,209 dollars 51 cents, and the whole amount of receipts 21,725 dollars, leaving a balance against the prison, including outstanding debts, of 27,793 dollars 50 cents.

INTERNAL IMPROVEMENTS.

In addition to the foregoing, the Auditor herewith submits the following Statements in relation to the receipts and expenditures of the public works from their commencement to the 30th November 1839, (the date of the last report of the Board of Internal Improvements to this office,) which Statements are numbered from 8 to 20.

Statement No. 8, is an exhibit of the total cost of the Wabash and Erie canal, and the amount received from that source. The total cost of this work, as it appears from this table, is 1,747,106 dollars 78 cents. The total of receipts amount to 306,261 dollars 44 cents.

The total number of acres of Wabash and Erie Canal Lands sold is 261,217.68 acres. The amount for which they sold is 552,655 dollars 64 cents. The balance due and bearing six per cent. interest is 370,384 dollars 7 cents.

The total amount of interest received is 112,943 dollars 90 cents, and the total amount received from lands 181,571 dollars 57 cents, which, added together, make the total amount received from Canal Lands 294,515 dollars 47 cents. The average price at which Canal Lands have sold is \$2 11 5-8 per acre.

Statement No 9, is an exhibit of the cost of the Wabash canal. By this it will be seen that the whole cost amounts to 292,559 dollars 57 cents.

Statement No 10, is an exhibit of the whole cost of the Eel river Cross Cut Canal. This work, it will appear, has cost the sum of 305,061 dollars 79 cents.

Statement No. 11, is an exhibit of the whole cost of the White Water canal. By which it appears that it has cost 831,321 dollars 67 cents.

Statement No. 12, is an exhibit of the whole cost of the Erie and Michigan canal, by which it appears that this work has cost 57,301 dollars 86 cents.

Statement No. 13, is an exhibit of the whole cost of the Madison and Indianapolis Rail Road, by which it appears to have cost 1,114,416 dollars 50 cents.

Statement No. 14, is an exhibit of the whole cost of the Lafayette and Indianapolis M'Adamized road. Its cost, it will be seen, is 44,319 dollars 80 cents.

Statement No. 15, is an exhibit of the whole cost of the Jeffersonville and Crawfordsville M'Adamized road. The whole cost, it will be seen, is 270,196 dollars 68 cents.

Statement No. 16, is an exhibit of the whole cost of the New Albany and Vincennes M'Adamized road. Its cost is 441,163 dollars 4 cents.

Statement No. 17, is an exhibit of the whole cost of the improvements at the Grand Rapids. The amount expended is 8,902 dollars 90 cents.

Statement No. 18, is an exhibit of the whole cost of the Central Canal. By this it appears that the Northern and Indianapolis Division (extending from the Wabash and Erie Canal to Martinsville) has cost 667,400 dollars 96 cents, and the Southern Division (from Martinsville to Evansville) has cost 851,669 dollars 56 cents.

The whole cost of both divisions 1,493,980 dollars 81 cents.

Statement No. 19, is an exhibit of the amount paid for general contingencies properly chargeable to the whole system and not to any particular work. By this it appears that the amount thus expended is 32,472 dollars 45 cents.

Statement No. 20, is a recapitulation of the whole cost of all the public works up to 30th November 1839. By this it will be seen, that the whole cost, including the Wabash and Erie canal, is 6,638,803 dollars 55 cents, and that the amount of receipts (exclusive of the tolls of the White Water Canal and Madison and Indianapolis Rail Road and rents for water power, no account of which has been furnished this office) is 306,261 dollars 44 cents, per Statement No. 8.

It is respectfully suggested, that all receipts and expenditures, on account of our public works, should be made to pass through the books of the Fund Commissioners and the books of the Auditor and Treasurer. Such is not the present organization. The plan is not only feasible, but would contribute much to simplify the reports of all the officers.

All of which is respectfully submitted.

MORRIS MORRIS, A. P. A.

RECEIPTS.	D.	C.	D.	C.
There was remaining in the Treasury on the 1st of November, 1839, provided all warrants were paid,			30,466	32
Rec'd at the Tre'y on act. of rev. 1837,	100	00		
" " " 1838,	20	00		
" " " 1839,	313,427	02	313,547	02
" of the agent for Indianapolis for sale of lots,	4,017	79		
" Commissioners of College lands,	2,510	03		
" " Saline lands,	1,977	09	8,504	91
" from estates without heirs,	3	23		
" for the sale of pub. prop'y, (inc. rec.)	291	75		
" of super'dents of St. prison, (rent,)	18,100	00	18,304	98
" from borrowers of coll. fnd. (ref'd.)	2,190	00		
" " Treasury loans, (refunded)	18,493	94		
" sale of mortg. lands for Tre'y loans,	6,932	83	27,616	77
" for interest on loans of coll. fund,	4,212	75		
" for interest on Treasury loans,	111	06		
" for interest on Saline loans,	2,394	32	6,718	13
" in Treas. notes for Internal Impr't,			1,289,000	00
Note.—Warrant No. 4087, out, \$7 86.			1,694,158	13

No. I.

the State of Indiana, from the 1st day of Nov. 1839, to 31st of Octo-
the Auditor of Public Accounts and Treasurer of State."

EXPENDITURES.	D.	C.	D.	C.
Since the 1st Nov. 1839, there have been audited claims against the State as follows:				
For pub. printing stationery, distributing laws, &c. - - - - -	12,457	81		
For expenditures of last Gen. Assembly.	45,052	17		
			57,509	98
“ salaries of Executive officers, -	3,850	00		
“ “ Prosecuting Attorneys, -	1,725	66		
“ “ Supreme and Circuit Judges	16,313	53		
“ “ Probate Judges, - - -	3,765	00		
“ “ Adj. & Qr. Master Gen's,	125	00		
			25,779	19
“ expenses of State-House, -	1,101	87		
“ “ State Library, - - -	400	00		
“ “ State Prison, - - -	19,651	69		
“ “ Michigan road, - - -	100	00		
			21,253	56
On account of specific appropriations,	6,251	97		
“ “ Wolf scalps, - - -	78	50		
“ “ estates claimed by heirs,	130	00		
“ “ contingent expenses, .	671	09		
			7,131	56
“ “ Seat of Government, -	262	62		
“ “ militia fines, (con.) distributed.	21	00		
“ “ expenses of saline lands,	210	45		
“ “ State University expenses,	4,923	63		
			5,417	70
“ “ Int'l Improvement as follows:				
For payment of interest on State bonds,	263,116	93		
“ expenses of issuing Treasury notes,	5,292	76		
“ Treasury notes delivered to Treas'r,	1,289,000	00		
			1,557,409	69
On acct. of loans of State University fund,	2,335	00		
“ “ saline fund, - - -	2,550	00		
“ “ mortg. lands unsold for Tr'y loans	3,696	00		
“ “ revenue for 1838 refunded,	1,121	80		
“ “ revenue for 1839 refunded,	702	36		
			10,405	22
Making the total amount of expenditures,			1,684,936	90
To which add the balance in the Tre'y on hand, prov'd all war'n'ts audit'd were pd.			9,221	23
			1,694,158	13

The probable amount of Revenue to be derived from the assessments of this year, will be about \$160,000. From this take the probable amount to be set apart for Internal Improvement purposes, (\$40,000,) and there will be left for the ordinary expenses of the State, \$120,000, all of which may be paid in Treasury notes of the denomination of \$5, and if so paid, must leave the Treasury empty.

STATEMENT No. 3,

Exhibiting the number of acres of land assessed in each county, the valuation thereof, and the average price per acre, for the years 1839 and 1840.

NO. OF COUNTY	NAME OF COUNTY.	1839. NO. OF ACRES.	1839. VALUE OF LAND.	1839. AV. PRICE PER ACRE.	1840. NO. OF ACRES.	1840. VALUE OF LAND.	1840. AV. PRICE PER ACRE.	REMARKS.
1	Allen	32,615	\$309,815	\$8	58,717	\$454,326	\$8	
2	Adams	5,390	34,564	6	7,805	56,966	8	
3	Bartholomew	88,752	1,069,789	12	104,716	1,056,185	10	
4	Boone	97,173	534,360	5	109,312	581,143	5	
5	Brown	3,500	18,950	5	5,466	30,880	5	
6	Blackford	-----	-----	--	7,559	35,821	5	
7	Benton	-----	-----	--	-----	-----	--	
8	Clark	192,536	1,593,400	8	190,753	1,267,592	7	
9	Clay	25,298	160,178	6	29,455	199,080	7	
10	Crawford	33,000	192,917	5	37,028	170,440	5	
11	Carroll	111,287	772,643	6	102,257	682,243	6	
12	Cass	39,336	306,978	8	67,457	345,483	5	
13	Clinton	130,181	843,284	6	131,549	827,705	6	
14	Dearborn	297,106	2,547,755	11	211,196	2,114,095	11	
15	Decatur	117,062	1,309,195	11	137,221	1,413,342	11	
16	Daviess	61,467	356,788	5	68,746	393,012	6	
17	Dubois	-----	-----	--	-----	-----	--	
18	Delaware	64,781	567,671	8	78,398	518,837	6	
19	De Kalb	40	290	7	1,861	14,083	7	
20	Elkhart	57,314	429,999	7	77,492	429,433	7	
21	Payette	125,321	2,181,868	17	127,430	1,826,121	14	
22	Floyd	67,519	1,065,545	15	70,060	869,637	11	

23	Franklin	151,549	2,083,168	13	157,105	1,735,772	11
24	Fountain	176,235	1,693,535	9	182,667	1,401,360	8
25	Fulton	11,875	76,882	6	12,361	70,160	6
26	Gibson	109,510	841,798	7	118,892	776,070	7
27	Green	59,364	280,453	5	52,558	272,704	5
28	Grant	-----	-----	-----	42,277	302,807	7
29	Hamilton	87,161	889,637	10	123,660	933,884	8
30	Harrison	190,787	1,010,184	5	194,327	826,918	4
31	Hendricks	145,144	1,164,700	7	185,137	1,222,202	7
32	Henry	170,371	1,811,015	10	191,805	1,683,892	9
33	Hancock	95,455	633,505	6	114,216	714,328	6
34	Huntington	-----	-----	-----	16,441	94,870	6
35	Jackson	90,105	582,981	6	96,550	507,950	6
36	Jefferson	162,440	1,931,893	11	162,641	1,509,534	10
37	Jennings	71,650	585,595	8	81,127	533,575	7
38	Johnson	125,511	1,009,143	8	-----	-----	-----
39	Jasper	4,470	34,167	7	-----	-----	-----
40	Jay	1,248	6,849	5	2,092	13,125	6
41	Knox	160,486	1,045,648	6	156,920	976,085	6
42	Kosciusko	7,615	43,365	5	9,612	50,932	5
43	Lawrence	152,016	1,455,190	9	146,518	1,685,881	8
44	Lagrange	21,312	87,821	4	20,869	149,361	7
45	Laporte	92,339	869,958	9	112,560	566,415	5
46	Lake	9,269	33,333	3	9,629	17,699	2
47	Madison	73,425	787,427	10	98,314	551,082	6
48	Marion	208,850	2,544,724	12	221,903	2,120,777	10
49	Martin	22,239	110,237	4	21,987	98,681	5
50	Monroe	119,085	562,584	4	-----	-----	-----
51	Montgomery	270,891	2,306,954	8	276,261	2,086,729	-----

STATEMENT No. 3.—Continued.

Exhibiting the number of acres of land assessed in each county, the valuation thereof, and the average price per acre for the years 1839 and 1840.

NO. OF COUNTY	NAME OF COUNTY.	1839. NO. OF ACRES.	1839. VALUE OF LAND.	1839. AV. PRICE PER ACRE.	1840. NO. OF ACRES.	1840. VALUE OF LAND.	1840. AV. PRICE PER ACRE.	REMARKS.
52	Morgan	113,771	992,278	\$8	121,173	1,009,029	\$8	
53	Miami	21,264	149,127	7	15,731	120,622	8	
54	Marshall	19,085	107,692	5	18,377	84,599	5	
55	Noble	10,214	54,849	5	9,432	43,338	5	
56	Orange	111,629	740,968	6	100,639	692,641	7	
57	Owen	64,068	457,270	7	64,193	415,577	7	
58	Parke	167,977	1,491,740	8	185,072	1,456,140	8	
59	Perry	37,569	333,650	8	40,629	316,611	8	
60	Pike	34,871	232,227	6	35,679	190,725	5	
61	Poscy	114,020	813,323	7	121,341	776,590	6	
62	Putnam	174,772	1,524,422	8	186,005	1,447,712	8	
63	Porter	11,972	100,490	8	13,882	60,917	5	
64	Pulaski,	---	---	--	231	1,411	6	
65	Randolph	81,866	633,725	7	99,714	612,208	6	
66	Ripley	112,409	790,109	7	106,870	604,519	6	
67	Rush	219,387	2,719,646	12	244,233	2,405,257	10	
68	Scott	60,311	281,665	4	60,748	173,987	3	
69	Shelby	163,154	1,358,835	8	202,814	1,504,388	7	
70	Spencer	49,713	361,142	7	172,008	384,712	2	
71	Switzerland	114,393	1,061,681	9	113,966	847,795	7	
72	St. Joseph	91,812	856,355	9	112,569	712,757	7	
73	Sullivan	93,703	464,999	5	85,691	465,990	5	

74	Steuben	- - - - -	- - - - -	- - - - -	1,960	13,315	7
75	Tippecanoe	222,878	1,858,272	- - - - -	231,423	1,659,800	7
76	Union	100,236	988,167	8	100,722	972,195	10
77	Vanderburgh	45,171	537,250	9	69,858	435,171	6
58	Vermillion	82,415	612,823	11	122,019	695,813	6
79	Vigo	125,412	1,555,558	7	127,913	1,351,004	11
80	Warrick	35,785	239,653	12	39,767	217,517	6
81	Washington	193,198	1,602,504	6	198,083	1,484,475	6
82	Wayne	244,567	3,287,772	8	225,490	2,473,425	7
83	Warren	107,197	826,460	13	112,027	730,864	10
84	White	16,861	114,170	7	25,628	113,901	7
85	Wabash	30,783	249,317	6	38,011	232,622	4
86	Whitley	1,520	6,720	8	8,177	14,755	6
87	Wells	3,161	15,320	4	4,114	23,465	2
		7,475,320	65,954,879	4	8,273,120	58,343,992	6

STATEMENT No. 4.

Exhibiting the total amount of taxable property, the amount assessed for internal improvement purposes alone, the number of polls, and the amount assessed on each poll for Internal Improvement purposes, in each county, for the year 1840.

No.	COUNTIES.	1840.	1840.	1840.	1840.
		Total value of all taxable property.	Am't assessed for Int. Improvements.	No. of Polls.	Average am't assessed on each poll for int. imp. purposes.
1	Allen	1,056,595	523	132	cts. 40
2	Adams	87,090	44	367	12
3	Bartholomew	1,473,725	737	1,379	53
4	Boon	792,670	396	1,170	29
5	Brown	77,768	39	305	12
6	Backford	52,593	26	218	13
7	Benton				
8	Clark	1,891,537	946	1,945	48
9	Clay	347,421	174	825	21
10	Crawford	299,151	115	590	19
11	Carroll	986,657	492	1,176	41
12	Cass	756,788	387	1,092	39
13	Clinton	1,069,335	478	1,138	36
14	Dearborn	3,431,015	1,717	3,000	57
15	Decatur	1,868,991	934	1,557	62
16	Daviess	619,101	325	1,036	29
17	Dubois				
18	Delaware	739,898	370	1,322	28
19	DeKalb	27,561	138	347	04
20	Elkhart	640,226	320	1,116	29
21	Fayette	2,505,081	1,253	1,453	83
22	Floyd	2,481,403	1,241	1,485	83
23	Franklin	2,472,193	1,236	1,928	65
24	Fountain	1,974,536	987	1,755	51
25	Fulton	137,339	69	356	16
26	Gibson	1,307,537	654	1,366	46
27	Green	483,332	242	1,112	22
28	Grant	466,037	233	805	30
29	Hamilton	1,253,330	627	1,477	42
30	Harrison	1,142,506	571	1,829	31
31	Hendricks	1,581,821	791	1,567	49
32	Henry	2,120,357	1,060	1,959	53
33	Hancock	973,284	487	1,113	44
34	Huntington	154,066	77	302	25
35	Jackson	808,105	404	1,226	33
36	Jefferson	3,575,982	1,787	2,382	83
37	Jennings	826,120	418	1,194	35

STATEMENT No. 4.—Continued.

No.	COUNTIES.	1840. Total value of all taxable property.	1840. Am't assessed for int. improve- ments.	1840. No. of Polls.	1840. Average amount assessed on each poll for int. imp't purposes.
38	Johnson	1,598,445	799	1,407	cts. 57
39	Jay	75,570	30	611	6
40	Jasper	20,317	11	138	8
41	Knox	1,964,943	982	1,557	62
42	Kosciusko	191,017	96	658	15
43	Lawrence	1,626,990	813	1,558	50
44	Lagrange	277,810	139	647	22
45	Laporte	1,034,676	517	1,470	34
46	Lake	51,637	26	278	8
47	Madison	807,202	404	1,349	30
48	Marion	3,408,954	1,704	2,403	71
49	Martin	187,661	94	566	15
50	Monroe				
51	Montgomery	2,772,519	1,336	2,257	63
52	Morgan	1,411,081	700	1,584	44
53	Miami	279,030	140	465	28
54	Marshall	140,510	71	290	23
55	Noble	105,901	53	580	9
56	Orange	1,163,566	582	1,404	41
57	Owen	664,317	352	1,019	35
58	Parke	1,995,338	998	1,838	44
59	Perry	512,938	356	680	51
60	Pike	359,910	179	748	26
61	Posey	1,319,210	655	1,513	43
62	Putnam	2,018,955	1,009	2,193	46
63	Porter	116,589	58	410	14
64	Pulaski	12,873	6	113	6
65	Randolph	785,689	393	1,437	28
66	Ripley	810,386	405	1,427	30
67	Rush	3,049,758	1,525	2,269	70
68	Scott	288,536	144	662	29
69	Shelby	1,858,915	826	1,756	59
70	Spencer	591,864	299	939	33
71	Sullivan	737,106	368	1,159	31
72	Switzerland	1,213,760	607	1,458	40
73	St. Joseph	1,278,774	639	1,089	58
74	Steuben	49,615	25	459	6
75	Tippecanoe	2,845,138	1,423	2,340	64
76	Union	1,317,671	659	1,101	60
77	Vanderburg	1,422,003	711	1,166	59
78	Vermillion	1,155,755	578	1,338	44
79	Vigo	2,746,591	1,373	1,902	68

STATEMENT No. 4.—Continued.

No.	COUNTIES.	1840.	1840.	1840.	1840.
		Total value of all taxable property	Am't assessed for Int'l Improve-ment.	No of Polls.	Average am't assessed on each poll for internal improvements.
80	Warrick	428,172	214	876	cts. 24
81	Washington	2,361,713	1,181	2,051	56
82	Wayne	4,376,397	2,188	3,363	65
83	Warren	1,055,030	426	921	47
84	White	184,020	92	292	31
85	Wabash	347,833	174	488	35
86	Wells	56,124	28	306	9
87	Whitley	39,114	20	200	10
		91,756,019	45,878	100,166	

STATEMENT No 6.

Of amounts realized from taxation for Internal Improvements, from the first assessment, 1837, to, and including 1840. Also the number of polls, and the average amount paid by each poll in each of the years, for Internal Improvements.

The Year.	The total amount realized from taxation for Internal Improvements from 1837 to 1840.	The number of polls assessed in the State.	The amount paid, (averaged) by each tax payer.	REMARKS.
In 1837	\$40,000	82,921	\$0 484	The valuations for 1840 amount to \$45,878, from which is deducted 20 per cent. for commission, delinquencies, &c.; leaving the probable amount for Internal Improvements, as stated, at \$36,722.
In 1838	38,000	89,837	0 424	
In 1839	263,116	94,197	2 76	
In 1840	36,722	100,166	36 3-5	
	<u>377,838</u>			

NOTE. The average amount paid by each tax payer in the State for 1837, 1838, 1839, 1840, is \$1 03 3-5.



STATMENT No 7—Exhibiting the Receipts and Expenditures on

YEAR.	RECEIPTS.	DOLL'S CT'S.	DOLL'S CT'S.
1828	Receipts, - - -		\$25 00
1831	For Rents, - - -		800 00
1833	For Rents, - - -		700 00
1834	For Rents, - - -		700 00
1835	For Rent, - - -		700 00
1836	For Rents, - - -		700 00
1840	For Rents to 1841, -		18,100 00
	Whole Receipts, - - -		<u>\$21,725 00</u>

account of the State Prison from its erection to 31st October, 1840.

YEAR.	EXPENDITURES.	DOLL'S CT'S.	DOLL'S CT'S.
1821	For Buildings,		3,000 00
1822	“ “		1,000 00
1823	“ Agent's salary,	500 00	
“	“ Buildings,	2,743 81	
“	“ Transporting convicts,	484 24	
			3,727 07
1824	“ Agent's salary,	903 00	
“	“ Transporting convicts,	786 22	
			1,689 22
1825	“ Agent's salary,	568 60	
“	“ Transporting convicts,	203 01	
			771 61
1826	“ Transporting convicts,		628 92
1827	“ “ “		1,008 00
1828	“ “ “		340 04
1829	“ “ “		519 52
1830	“ “ “		507 32
1831	“ “ “		1,039 52
1832	“ Buildings,	1,138 66	
“	“ Convicts,	832 68	
			1,971 34
1833	“ Convicts,		912 25
1834	“ Buildings,	2,000 00	
“	“ Convicts,	856 87	
“	“ Visitor,	50	
			2,906 87
1835	“ Buildings,	2,000 90	
“	“ Convicts,	949 76	
“	“ Visitor,	50	
			2,999 76
1836	“ Buildings,	608 00	
“	“ Convicts,	915 54	
“	“ Visitor,	50	
			1,573 54
1837	“ Convicts,	862 12	
“	“ Visitor,	50	
			912 12
1838	“ Convicts,	935 36	
“	“ Visitor,	50	
			985 36
1839	“ Convicts,	1,015 36	
“	“ Visitor,	50	
			1,065 36
1840	“ Building,	18,100 00	
“	“ Convicts,	1,501 69	
“	“ Visitor,	50	
	Whole cost,		\$47,209 51

RECAPITULATION.

Total amount paid for Agents' and Visitors' salaries,	\$2,271 60
Total amount paid for Transportation of Convicts,	14,298 44
Total amount paid for Buildings,	30,639 47
	47,209 51
To which should be added for outstanding debts for Buildings to present Contractors,	2,308 99
Whole cost of State Prison,	49,518 50
From this deduct for Rents received,	21,725 00
Leaving the total paid for transportation of Convicts and pay of Agents and Visitors up to 31st of October, 1840,	
	27,793 50

STATEMENT No. 8.—Receipts and Expenditures on account of November 30, 1839, the date of the last report of the Board of in relation to the Wabash and Erie Canal Lands.

RECEIPTS.	Amount.	Amount.
	\$ c.	\$ c.
There was received from sales of Canal Land, interest and all other sources, from 1829 to November 1838, as reported in detail in my last report, (Statement No. 7.) the sum of - -		298,433 64
There has been received between November 30, 1838 and November 30, 1839, as follows:		
For final payments on Canal Lands,	3,441 87	
“ interest on Canal Lands, - -	10,981 14	
“ sales of Canal Lands, - -	404 79	
		14,827 08
		3,000 00
“ tolls, (estimated) - - -		
		306,261 44
By deducting the Receipts from the Expenditures it appears that the amount advanced by the State, over and above its receipts, is - - -		1,440,845 34
		1,747,106 78

the Wabash and Erie Canal, from its commencement, 1829, to Internal Improvement to Auditor's office. Also, a General Summary

EXPENDITURES.	Amount.	Amount.
	\$ c.	\$ c
The total amount expended from 1829 to the 30th of November 1838, in construction, incidental expenses, attending construction, location and selling lands, damages, &c., as reported in detail in Auditor's last report, (Statement No. 7.)		1,507,397 89
There has been expended from November 30th, 1838, to November 30th, 1839, as follows:		
For construction, - - -	229,549 60	
“ incidental expenses, including expenses of Land Office, collection of interest, &c., - - -	7,990 60	
“ damages assessed and paid for right of way, - - -	50 00	
“ expenses of repairs, - - -	2,118 69	239,708 89
		1,747,106 78

STATEMENT No. 8—Continued.—Being a General Summary in relation to the Wabash and Erie Canal Lands.

Year.	No. of acres sold up to 30th Nov. 1839.		Amount for which they sold up to 30th Nov. 1839.		Amount paid by purchasers for canal lands up to 30th November 1839.		Balance due on canal lands up to 30th Nov. 1839.		Average price per acre for which canal lands sold.
	A.	H.	\$	c.	\$	c.	\$	c.	
1830	41,931	41	71,038	85	24,849	59	44,476 70		
1831					1,712	56			
1832	15,758	87	47,961	33	14,202	70			
1833	17,710	97	42,559	64	13,175	83			
1834	33,575	84	72,814	65	23,177	19			
1835	93,413	16	188,374	11	56,783	13			
1836	55,452	51	105,649	29	31,905	29			
1837	2,163	26	18,006	22	7,981	21	10,025	02	2 11 5-8
1838	867	27	4,532	37	3,937	41	594	96	
1839	37,439		1,619	18	3,846	66			
	261,247	68	552,955	64	181,571	57	370,384	07	

The total amount of interest received up to 30th November, 1839, 112,943 90

Total received from land, 294,515 47

STATEMENT No. 9.

Exhibiting the whole cost of the Wabash Canal up to November 30, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction, incidental expenses, damages, &c., up to November 30, 1838, -				
	There has been expended from the 30th November, 1838, to November 30th 1839, as follows:				190,482 02
	For incidental expenses, - -		2,915 07		
	For construction of canal, - -		90,195 48		
	For damages for right of way, -		8,967 00		
					102,077 55
	Total of expenditures, - -				292,559 57

STATEMENT No. 10.

Exhibiting the whole cost of the Eel River Cross-Cut Canal, up to November 30th, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction, incidental expenses, damages, &c., up to 30th November, 1838, -			241,548	39
	There has been expended from 30th November, 1838, to 30th November, 1839, as follows:				
	For construction af canal, -	55,441	34		
	For incidental expenses, -	3,346	07		
	For damages for right of way, -	4,726	08		
				63,513	49
	Total expenditures, - - -			305,061	79

STATEMENT No. 11.

Exhibiting the whole cost of the White Water Canal, up to November 30th, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction, incidental expenses, damages, &c., up to the 30th Nov., 1838, the sum of -				
	There has been expended from the 30th of Nov. 1838 to 30th Nov. 1839, as follows:				543,666 18 .
	For construction of canal, - - -	272,043 37			
	“ incidental expenses, - - -	11,716 12			
	“ damages for right of way, - - -	3,896 09			
				287,655 49	
	Total of expenditures, - - -			831,321 67	

STATEMENT No. 12.

Exhibiting the whole cost of the Erie and Michigan Canal, up to 30th November, 1839.

RECEIPTS.		EXPENDITURES.	D.	C.	D.	C.
		There was expended for construction and incidental expenses up to 30th of Nov. 1838, the sum of -			16,242	65
		There has been expended from the 30th of Nov. 1838 to 30th Nov. 1839, as follows, viz:				
		For construction for canal, -	34,589	27		
		" incidental expenses, -	6,469	94	41,059	21
		Total of expenditures, -			57,301	86

STATEMENT No 13.

Exhibiting the whole cost of the Indianapolis and Madison Rail-Road, up to 30th November, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction, incidental expenses, damages, &c., up to 30th November, 1838, the sum of, - - -				974,518 42
	There has been expended from the 30th November, 1838, to 30th November, 1839, as follows:				
	For construction of road, - - -	98,325	42		
	For incidental expenses, - - -	15,913	76		
	For damages for right of way, - - -	887	25		
	For rail-road iron and freight, - - -	19,292	31		
	For locomotives and cars, - - -	5,449	31		
				139,898	08
	Total cost of road up to Nov. 10, 1839.				1,114,416 50

STATEMENT No. 14.

Exhibiting the whole cost of the Lafayette and Indianapolis Turnpike Road, up to 30th November 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction and incidental expenses, up to November 30, 1838, - - -				
	There has been expended from the 30th of November, 1838, to 30th of November, 1839, as follows, viz:				
	For construction of road, - - -	35,096 19			
	For incidental expenses, - - -	1,523 00			
				36,619 19	
					41,319 80

STATEMENT No. 15,

Exhibiting the whole cost of the Jeffersonville and Crawfordsville Turnpike Road up to 30th November, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction and incidental expenses, up to 30th November, 1838, the sum of			159,839	16
	There has been expended from the 30th of November, 1838, to 30th of November, 1839, as follows, viz:				
	For construction of Road,	104,551	07		
	For incidental expenses,	5,806	45	110,357	52
	Total cost up to Nov. 1839,			270,196	68

STATEMENT No. 16,

Exhibiting the whole cost of the New Albany and Vincennes Turnpike Road up to Nov. 30th, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction of Road and incidental expenses, up to the 30th of November, 1838, the sum of			302,136	22
	There has been expended from the 30th of November, 1838, to 30th of November, 1839, as follows, viz: For construction of Road, For incidental expenses,	132,539	07	139,036	82
	Total cost up to November 30th, 1839,			441,163	04

STATEMENT No. 17,

Exhibiting the whole cost of the Improvements at the Grand Rapids of the Wabash, up to 30th November, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was expended for construction and incidental expenses, up to 30th of November, 1838, the sum of There has been expended from the 30th of November, 1838, to the 30th of November, 1839, as follows, viz: For construction of improvement, For incidental expenses, Total cost of improvement to November 30th, 1839,		5,960 61 1,465 00 1,477 00		5,960 61 2,942 29 8,902 90

STATEMENT No. 18,

Exhibiting the whole cost of the Central Canal, up to the 30th of November, 1839.

RECEIPTS.		EXPENDITURES.	D.	C.	D.	C.
Northern and Indianapolis Division.		NORTHERN AND INDIANAPOLIS DIVISION.				
		There was expended previous to 1st Dec. 1838, the sum of -				436,103 53
		There has been expended during the year ending November 30th, 1839, as follows, viz:				
		For construction of canal, -	197,151 07			
		" incidental expenses, -	7,509 46			
		" damages for right of way,	1,047 19		225,707 72	
		Making total of expenditures of Indianapolis and Northern Division,			644,831 25	
		SOUTHERN DIVISION.				
		There was expended previous to 1st December, 1838, -				231,297 43
		There has been expended during the				

year ending November 30, 1839, as follows, viz:	180,741 45	
For construction of canal,	3,527 11	184,268 60
“ incidental expenses, -		
“ whole cost of Southern Division up to November 30, 1839, -		415,536 03
To which add Northern and Indianapolis Division, -		642,311 25
Total cost of whole line, up to November 30th, 1839, -		1,057,377 28

STATEMENT No. 19,

Exhibiting the amount expended for general contingencies, up to the 30th of November, 1839.

RECEIPTS.	EXPENDITURES.	D.	C.	D.	C.
	There was paid out for contingencies, including stationery, Chief Engineer's salary, and salary of Secretary of Board of Internal Improvement, &c., up to the 30th of November, 1838, the sum of, - - There has been paid out of general contingent fund, during the year ending 30th November, 1839, by order of the President of the Board, -			27,767 71	
				4,701 74	
				<u>32,472 45</u>	

STATEMENT No. 20,

Being a recapitulation of the whole cost of the Public Works, up to 30th November, 1839.

Total cost of the	Wabash and Erie canal, per Statement	No.	\$
" " Wabash canal,	" " " "	9.	24,447,100 78
" " " " " "	" " " "	9.	292,559 57
" " " " " "	" " " "	10.	305,061 79
" " " " " "	" " " "	11.	831,321 67
" " " " " "	" " " "	12.	57,301 86
" " " " " "	" " " "	13.	1,114,416 50
" " " " " "	" " " "	14.	44,319 80
" " " " " "	" " " "	15.	270,196 68
" " " " " "	" " " "	16.	441,163 04
" " " " " "	" " " "	17.	8,902 90
" " " " " "	" " " "	18.	1,057,377 28
" " " " " "	" " " "	19.	32,472 45
			6,202,220 02

The whole amount expended from November 30, 1828, to November 30, 1839, is \$1,994,652 82.



ANNUAL REPORT
OF THE
TREASURER OF STATE.

OCTOBER 31, 1840.

TREASURER'S OFFICE,}
INDIANAPOLIS, 31st, Oct. 1840. }

TO THE GENERAL ASSEMBLY OF INDIANA:

The undersigned herewith transmits, for the information of the Legislature, 1st. The Treasurer's Report of the general state of the Treasury; (not including Internal Improvements;) 2d. An estimate of the probable receipts and expenses of the Treasury proper for 1841; 3d. An exhibit of the public debt, and the amount necessary to meet the interest on the same; (being on account of the Internal Improvement debt;) 4th. The Loan Office Report: Statement A, relates to the College Fund; Statement B, the Saline Fund; Statement C, the Congressional Township Fund; Statement D, the State Bank School Fund; to which is added the items of expenditure paid from the Contingent Fund, and a bill of the purchase and cost of stationery.

Very Respectfully,

N. B. PALMER,

Treasurer of State.

TREASURER'S OFFICE, }
Indianapolis, 31st Oct. 1840. }

The Treasurer of State, in obedience to the directions of the "Act concerning the Auditor of Public Accounts and Treasurer of State," submits the following report of the receipts and expenditures of the State, and the operation of the Loan Office, &c., from the 1st November, 1839, to the 31st October, 1840, both inclusive.

RECEIPTS.

There was a balance remaining in the Treasury on the close of the last financial year, of	30,466 32
Receipts during the fiscal year from revenue of 1837,	100 00
1838,	20 00
1839,	313,427 02
From sale of lots at Indianapolis,	4,617 79
“ rents of State Prison,	18,100 00
“ estates without known heirs,	3 23
“ incidental sources,	201 75
“ interest on Treasury loans,	111 06
“ Treasury loans refunded,	18,493 94
“ sale of mortgaged lands,	6,932 83
“ Treasury notes issued for Internal Improvements,	1,289,000 00

The receipts and credits in college branch of the Loan Office Department have been:

From Commissioners of reserve township in Monroe county,	1,710 03
From Commissioners of reserve township in Gibson county,	800 00
From refunded loans,	2,190 00
From interest on loans,	4,212 75
	8,912 78

The amount paid into the Treasury of Saline Fund, appertaining to the loan office, has been:

From Commissioners of Saline lands in Orange county,	1,598 59
From Commissioners of Saline lands in Monroe county,	166 40
From commissioners of Saline lands in Washington county,	212 10
From interest on loans,	2,294 32
	4,271 41
	\$1,694,158 13

EXPENDITURES.

The expenditures during the same period, have been:

Pay and mileage of members of the Legislature, including officers,	-	-	45,952 17
Printing and stationery,	-	-	12,457 81
Specific appropriations,	-	-	6,251 97
Contingent expenses,	-	-	671 09
Premium on wolf scalps,	-	-	78 50
Pay of Probate Judges,	-	-	3,765 00
Pay of Executive officers,	-	-	3,850 00
Pay of Judges of Supreme and Circuit Courts,	-	-	16,313 53
Pay of Circuit Prosecutors,	-	-	1,725 66
Pay of Adjutant and Quarter Master Generals,	-	-	125 00
Payments on account of State House,	-	-	1,101 87
Payments on account of State Prison	-	-	19,651 69
Payments on account of State Library,	-	-	400 00
Payments on account of Michigan road,	-	-	100 00
Seat of Government,	-	-	262 62
Estates refunded,	-	-	130 00
Internal Improvements,	-	-	1,557,409 69
Mortgaged lands,	-	-	3,696 06
Revenue of 1838 refunded,	-	-	1,121 80
Revenue of 1839 refunded,	-	-	694 50
Militia fines distributed,	-	-	21 00

The disbursements on account of the College branch of the Loan Office, have been:

Payments on account of Indiana University, including incidental expenses of Loan Office,	4,923 63
Loans of College fund,	2,335 00
	7,258 63

Payments and liabilities on account of Saline fund subject to the Loan Office laws, are:

Saline fund expenses,	-	-	240 45
Loans of Saline fund,	-	-	2,550 00
			2,790 45
Balance on hand October 31st, 1840,	-	-	9,229 09

\$1,694,158 13

(NOTE.—Warrant No. 4087 outstanding.)

The foregoing tables show that the payments into the Treasury during the financial year 1840, (up to the 31st October,) including Treasury notes, amounted to \$1,694,158 13, and that the disbursements during the same period, have been (including also Treasury notes paid over to Fund Commissioners) \$1,684,929 04, leaving a balance in the Treasury on the 1st November, 1840, of \$9,229 09.

ESTIMATE FOR 1841.

The means of the Treasury applicable to the ordinary expenses of the State for 1841, may be estimated as follows:

Balance in the Treasury this day, (October, 31st 1840, - - - - -	9,229 09	
Revenue of 1840 from poll tax, - - - - -	50,000 00	
Revenue from two-thirds of the property tax, that portion being set apart for this purpose, - - - - -	100,000 00	
From outstanding Treasury loans, - - - - -	3,500 00	
Sale of lots in Indianapolis, - - - - -	2,000 00	
		164,729 09

The liabilities and expenditures for the same period, are estimated as follows, to wit:

Unaudited and other claims which will be due at the Treasury at the close of the present quarter, Nov. 30th, 1840, - - - - -	14,000 00	
Salaries of Judges and Prosecutors for 1841, - - - - -	17,500 00	
Salaries of Executive officers, - - - - -	3,500 00	
Printing, stationery, and binding and distributing laws, - - - - -	15,000 00	
Expenses of General Assembly, including officers, &c. - - - - -	45,000 00	
Specific and contingent appropriations, - - - - -	6,500 00	
Probate Judges, - - - - -	4,000 00	
State Prison, - - - - -	1,600 00	
State Library, - - - - -	400 00	
Adjutant and Quarter Master Generals, - - - - -	150 00	
State House, - - - - -	2,000 00	
Seat of Government, including Library fund, - - - - -	1,760 00	
Conscientious fines to be distributed, - - - - -	515 00	
Estates without heirs to be refunded, - - - - -	1,073 00	
Amount due Dr. John H. Sanders, for balance due him on property bought of him for Governor's residence, - - - - -	5,000 00	
Balance of College fund in Treasury, - - - - -	1,251 61	
Balance of Saline fund in Treasury. - - - - -	1,960 67	
		121,210 28
		\$43,518 81

This estimate, if realized, will leave a balance in the Treasury at the close of the approaching financial year, of \$43,518 81.

It will be necessary to bear in mind, that the whole of the State revenue of 1840, is authorized to be received in Treasury notes. If the revenue levied for the ordinary expenses of the State, shall be all, or in part, paid in that medium, the means enumerated and depended

on in the foregoing estimate, will be reduced in the precise amount which may be so paid in Treasury notes. But the undersigned is of the opinion, that an amount of funds, other than Treasury notes, will be paid into the Treasury for revenue, which, with the amount the Fund Commissioners will be able to deposit to the credit of the Treasurer of State under the Joint Resolution of the 24th February last, will be adequate to the discharge of all claims upon the Treasury for the ordinary expenses of the State, for the year 1841.

As this contingency will be determined in the progress of the payments of revenue by the several collectors, shortly to be made at the Treasury, the General Assembly will be advised if the anticipation here suggested, shall fail to be realized.

In any event, there will be an excess of receipts (in Treasury notes or other funds) over the estimated expenses of 1841 of the above estimated balance of \$13,518 81; which it may, perhaps, be advisable to appropriate to the Internal Improvement fund, more especially as it will probably be received in Treasury notes, and not available for any other purpose.

The revenue of 1839, due and payable at the Treasury since my last annual report, I am gratified to say, was promptly paid at the Treasury at the time required by law. It is highly creditable to our collecting officers and to our citizens, that, amidst the great pecuniary pressure which has for some years existed, the public revenue has reached the Treasury with a promptitude not found, perhaps, in any other community.

That portion of the revenue of 1838, which was loaned out the last year, has been principally refunded to the Treasury; but in a few cases of delinquency, it has been found necessary to expose to sale the mortgaged premises held in security for the repayment of those loans, a part of which were sold, and others on which sufficient bids were not offered, were bid in for the benefit of the State, and are now again advertised, and will be offered in January next, and no doubt is entertained but the money will be made.

The interest on loans in the various departments of the Loan Office, has for the most part, been punctually paid, but some few cases of delinquency have here also occurred, by which it has become necessary to advertise the mortgaged premises for sale, but in no case is there reason to suppose that loss to the funds will occur.

The payments on account of the State House the past year, including such incidental expenses of the last General Assembly as were not otherwise adjusted, will amount to about \$1,500. A more particular account of which will be presented in my report in relation to the State House; but I respectfully suggest that the care and preservation of the Capitol will be likely to be much more perfect and efficient, under the superintendence of the Librarian, as he, by law, is required to keep the Library in the building, and of consequence will be there in attendance upon that duty; and as it is found by experience, that no superintendant can have such exclusive command of the House as is necessary to its proper care, while different persons are occupying the same.

3d. THE PUBLIC DEBT.

The public debt of Indiana amounts, at this date, both funded and unfunded, to \$13,667,433. This debt has been created by the issue of State bonds and otherwise, as follows, viz:

1. State bonds sold for account of Wabash and Erie Canal, - - - -	\$1,727,000
2. Other Internal Improvement bonds, sold prior to the 31st October 1839, and heretofore reported to the Legislature, - - - -	5,932,000
3. Bonds entrusted to the Morris Canal and Banking Company in 1833, to be exchanged for other bonds, said to be informal, but which have been wrongfully withheld and disposed of by said Company, and which it now alleges its inability to return or account for, - - - -	300,000
4. Other bonds sold to Morris Canal and Banking Company in 1839, not before reported, - - - -	190,000
5. Bonds sold in the fall of 1839 to banks in Buffalo New York, - - - -	282,000
6. Bonds sold and delivered to Company at Madison for account of Madison and Indianapolis Rail Road Company, - - - -	221,000
7. Bonds issued to Lawrenceburgh and Indianapolis Rail Road Company, - - - -	221,000
8. Bonds issued to Bank for advance of 4th installment surplus revenue, - - - -	294,000
9. Bonds issued on account of State Bank, (including Mr. Merrill's \$1,000,000 loan) - - - -	2,390,000
10. Unfunded debt due the Branches of State Bank, for advances on public works in 1839, about - - - -	692,433
11. Treasury notes issued prior to this date, - - - -	1,284,000
12. Unpaid claims for operations the present year, on Wabash and Erie Canal, - - - -	84,000
13. Unpaid claims on public works, for operations previous to 1840, and which will be paid by further issues of treasury notes, estimated at - - - -	50,000
	\$13,667,433

This table, although not precisely correct, yet very nearly exhibits the public debt of the State. It is proper to say, that the bonds in items Nos. 3, 4 and 5, in the above table, are regarded by my associate fund commissioner as constituting no part of the public debt, inasmuch as the debtors have agreed to return the bonds; but as the bonds have been parted with, and their return resting on the promises of institutions and persons of very doubtful pecuniary responsibility, and in whose promises I have, for the most part, no confidence, it has appeared to me entirely proper to add those items to the public debt.

This debt, as will be seen, is mostly funded for the usual period State bonds are made to run. This portion of the debt will require at the present, provision only, for the prompt payment of the interest.

The unfunded debt, being a portion of that enumerated in the foregoing table, is \$2,110,433, and which is due and payable as follows, viz:

Due the Branches of the State Bank for advances on the public work in 1839, now due, (about)	692,433
Due to contractors on the Wabash and Erie Canal for work done the past season now due, (but relying on receipts from Wabash and Erie Canal land sale,)	84,000
Five dollar treasury notes due on the 20th April next,	644,000
Five dollar treasury notes due on the 20th September next,	45,000
Fifty dollar treasury notes due on the 20th April 1842,	575,000
Fifty dollar treasury notes due on the 20th September 1842,	20,000
Estimated amount of treasury notes yet to be issued in liquidation of old claims,	50,000
	\$2,110,433

This amount, both principal and interest, it will seem to be necessary to provide for immediately and prospectively (so as to meet the several claims at maturity) during the present session of the General Assembly, except about \$250,000, which it may be expected will be paid in the redemption of treasury notes, through the collection of the revenue, and from a conditional sale of State bonds to be paid for in that medium.

The residue of this debt, which is due and shortly to become due, the amount of which, exclusive of interest, is \$1,860,433, and is, for the present, without any adequate provision for its payment, or any part of it, at the time when due, upon which any reliance can be placed, except the amount of \$84,000, which is dependant for payment on receipts from sales made and to be made of Wabash and Erie Canal lands, but which will be too tardy to satisfy the persons holding the claims, many of whom are very needy, and will, if no provision be made for the speedy payment of the claims, be under the necessity of making heavy sacrifices upon them.

The following table will show the debts due the State for bonds sold, (or otherwise parted with) amounting altogether to \$3,559,791 34, and upon which, or a portion at least, dependance has been had for the payment of this unfunded debt, but which, I feel it my duty to say, that I fully believe cannot be realized for this object, if indeed at all.

*Morris Canal and Banking Company,	-	-	\$2,195,769	34
Western Bank of New York,	-	-	210,000	00
Pontiac Rail Road Company,	-	-	90,000	00
Eric County Bank,	-	-	141,573	40
Binghampton Bank,	-	-	60,700	00
Bank Commerce,	-	-	81,500	00
Bank of North America at Buffalo,	-	-	43,000	00
Staten Island Whaling Company,	-	-	60,000	00
Same, with other securities.	-	-	20,000	00
E. & P. Houghwout,	-	-	28,000	00
W. A. Swan,	-	-	1,000	00
J. J. Cohen,	-	-	55,000	00
Compromise property, (Cohens.)	-	-	285,149	60
*Madison Company,	-	-	55,000	00
Merchants' Exchange Bank at Buffalo,	-	-	200,000	00
				\$3,559,791

The pecuniary character and standing of most of the institutions and persons thus indebted to Indiana for her bonds sold or otherwise parted with, seem to have been alike the creation of the late visionary and frantic season of speculation, and the wreck of its subsequent disastrous explosion.

It is also greatly to be feared, that the main portion of the securities we have been able to obtain, are nominal—mere fancies—the froth gleaned from the bursted bubble.

To hazard the faith of the State by a dependance on either principal debtors or securities, in these claims, for the means to meet our engagements, would be a delusion as bitter with disappointment as it would be fatal to the honor and credit of the State. If Indiana shall ever be so fortunate as to make the whole, or a portion of this debt available, that period, is unquestionably, (except for a small portion,) many years hence. No one at all acquainted with their condition would hope to obtain even a tythe from either, if urged to immediate settlement and foreclosure.

It is proper here to remark, that others, and perhaps with better opportunities of information than the undersigned, entertain a more favorable opinion of the ultimate ability of the principal debtors, and of the character and sufficiency of the securities, but the opinions above advanced, are the deliberate convictions of my own judgment, formed upon the best information and advice I have been able to command, and I present them under a sense of public duty, for the consideration of the General Assembly.

As the bonds, which form the basis of these debts, have passed from

*The Morris Canal and Banking Company have delivered to the Fund Commissioners certificates of deposit on North American Trust and Banking Company, which, if paid, will reduce their indebtedness to about two millions of dollars, exclusive of interest. And the Madison Company have estimates and others in progress, which will probably cancel the amount charged to them in this table by the time it becomes due.

Contingent Expenses from 31st Oct. 1839, to 1st, November 1840.

1 75	-	-	-	-	-	W. J. & J. F. Brown, for Stationary,
5 25	-	-	-	-	-	Henry Buckhart, repair on Governor's Circle,
1 50	-	-	-	-	-	W. H. Parker, repairs on Governor's Mansion,
5 00	-	-	-	-	-	W. J. Brown, affixing seal to certificates for Auditor,
26 50	-	-	-	-	-	Chas. Hausing, work on Governor's Circle,
3 00	-	-	-	-	-	Jacob Miller, removing furniture of Secretary's office,
25 00	-	-	-	-	-	Tucker & Weaver, furniture for Secretary's office,
5 00	-	-	-	-	-	Sarah Parker, work on Governor's Circle,
110 95	-	-	-	-	-	John Cain, for Postage,
16 20	-	-	-	-	-	Rate & Son, storage of public arms,
86 78	-	-	-	-	-	John Cain for Postage,
14 52	-	-	-	-	-	Branham's & Co, transportation of State Papers,
13 27	-	-	-	-	-	Bentley Alice repairs on Governor's Circle,
94 14	-	-	-	-	-	John Cain for postage,
5 00	-	-	-	-	-	C. Williams, repairing State Seal,
2 50	-	-	-	-	-	George Durham, repairs on Governor's Mansion,
197 38	-	-	-	-	-	John Cain, for postage,
9 00	-	-	-	-	-	D. George, for examining accounts of State Printers,
15 62	-	-	-	-	-	C. Williams, furniture for Auditor's office,
8 67	-	-	-	-	-	Branham's & Co. transportation of State Papers,
12 50	-	-	-	-	-	W. P. Todd, repairs on Governor's Mansion,
5 00	-	-	-	-	-	H. F. Peeney, storage of public arms,
2 00	-	-	-	-	-	W. F. Slater, binding Public Documents,
4 56	-	-	-	-	-	A. S. Kunts, transportation of State Papers,

A LIST OF BORROWERS OF THE COLLEGE FUND.

\$100 00	-	-	-	-	-	Wesley Spiller.
500 00	-	-	-	-	-	Thomas Lockhart,
375 00	-	-	-	-	-	Edward Strange,
160 00	-	-	-	-	-	William Megee,
500 00	-	-	-	-	-	John Coffield,
400 00	-	-	-	-	-	Philander A. Paine,
300 00	-	-	-	-	-	John Matthews,

A LIST OF BORROWERS OF THE SALINE FUND.

\$500 00	-	-	-	-	-	Tabitha Bodkin,
250 00	-	-	-	-	-	Jacob Hull,
300 00	-	-	-	-	-	William C. Edwards,
200 00	-	-	-	-	-	John Stipp,
300 00	-	-	-	-	-	Hiram Bacon,
500 00	-	-	-	-	-	William Harvey,
500 00	-	-	-	-	-	Martin R. Green,

1839. Bought of the Richmond Trading and Manufac-

1840.		“	
517 50	115 Reams of Post, No. A, S. F. a 4 50,	-	-
71 25	15 Reams of Post, No. A, F. a 4 75,	-	-
800 00	200 Reams of Royal, No. 3, a 4 00,	-	-
65 00	20 Reams of Cap, No. 1, a 3 25,	-	-
74 50	Transportation of same,	-	-
	Bought of Charles Dull,	-	-
27 00	6 Reams fine Post, a 4 50,	-	-
10 00	4 Reams fine Post, a 2 50,	-	-
14 00	4 Reams fine Post, a 3 50,	-	-
	Bought of Isaac M. Moss,	-	-
48 00	8,000 Quills, No. 30, a 6 00,	-	-
68 00	8,000 Quills, No. 40, a 8 50,	-	-
25 00	2,000 Quills, No. 50, a 12 50,	-	-
32 00	2,000 Quills, No. 60, a 16,	-	-
15 60	26 lbs. Wafers, a 60,	-	-
2 50	2 lbs. French, a 1 25,	-	-
15 00	600 lbs. Black Lake Sand,	-	-
1 37	1 Gross Damascus Pens, a 2 75,	-	-
1 38	1 Gross Diamond Pens, a 2 75,	-	-
1 87	1 Gross Victoria Pens, a 3 75,	-	-
1 88	1 Gross London Bk Pens, a 3 75,	-	-
3 75	1 Gross Harwood Com'r, Pens, a 7 50	-	-
2 00	1 Gross Warriner's Com'r, Pens, a 4 00	-	-
3 75	1 Gross Perryan Pens, a 7 50,	-	-
5 68	8 Doz. Kiddler's Ink Powder, at 8 50,	-	-
3 75	1 Gross Lead Pencils, a 7 50,	-	-
12	4 Papers of Sand,	-	-
3 75	1 Gross assorted Pens,	-	-
20 00	Cost of purchase,	-	-

CONGRESSIONAL TOWNSHIP FUND.

Report of the operations of the Congressional Township Fund from the 1st November, 1839, to the 31st October, 1840.

RECEIPTS.				
Cash on hand at last report,	-	-	-	121 14
Loans refunded,	-	-	-	200 00
Interest on hand,	-	-	-	120 00
				\$441 14
CONTRA.				
Amount paid Trustees in Ripley county,	-	-	-	68 82
Amount paid Trustees in Green county,	-	-	-	70 98
Incidental expenses,	-	-	-	19 64
Cash on hand,	-	-	-	282 60
				\$441 14

STATE BANK SCHOOL FUND.

Report of the operations of the State Bank School Fund from the 1st November, 1839, to the 31st October, 1840.

[illegible]

APPENDIX

STATEMENT A.
COLLEGE FUND.

Report of the operation of the College Fund, from the 1st November 1839, to 31st October, 1840.

RECEIPTS.	
Amount received from William Alexander, late Commissioner of reserved township in Monroe county,	\$1,291 00
Amount received from John M. Berry, Commissioner of reserved township in Monroe county,	419 03
Amount received from James Smith, Commissioner of reserved township in Gibson county,	800 00
From refunded loans,	2,190 00
From interest,	4,212 75
	\$8,912 78
Amount over loaned in 1839,	402 54
Amount of loans,	-
State University, including incidental expenses,	4,923 63
Cash on hand,	1,251 61
	\$8,912 78

STATEMENT B.
SALINE FUND.

Report of the operations of the Saline Fund from the 1st November, 1839, to the 31st October, 1840.

RECEIPTS.		CONTRA.	
Cash on hand, November 1st, 1839,	379 71	Amount of loans,	2,550 00
Amount received from Andrew Wilson, Commissioner of	-	Saline Fund expenses,	240 45
Saline lands in Orange County,	-	Cash on hand,	1,960 67
Amount received from Henry Young, Commissioner of	-		
Saline lands in Washington county,	212 10		
Amount received from Milton M. Phetridge, Commissioner	-		
of Saline lands in Monroe county,	166 40		
Interest on loans,	2,394 32		
	\$4,751 12		\$4,751 12

2nd, Interest and dividends on 3rd and 4th	
instalment of Surplus Revenue	48,000 00
3rd. Interest on Lawrenceburgh and Indianapolis Rail Road Mortgages	11,000 00
4th. Interest on Canal Lands	22,000 00
5th. Canal tolls	5,000 00
6th. One third of the Revenue of 1840 arising from property tax estimated at	40,000 00
\$195,000 00	

528,371 65

Showing the amount of \$528,371 65 to be provided to meet the interest on our public debt for 1841, over and above the other means now provided, and above enumerated.

It may be here remarked that some of the debtors to the State have promised to pay the interest on the bonds for which they are indebted, but as similar promises were heretofore made without any performance, I have not thought proper to place those promises among the means to be relied upon.

The honor and credit of the State—her character and all that is dear to Indiana, require and demand that undoubted provision should be made to meet this sacred obligation, and that it shall not be temporary, but permanent.

The undersigned, on the 30th of June last, signed at this place, 501 Indiana sterling 5 per cent. bonds, of two hundred and twenty-five pounds each, dated on the 1st July, 1840; 500 of which were numbered from 1,901 to 2,400 inclusive. The other not numbered. I also signed, in New-York, on the 1st day of September last, 505 Indiana sterling 5 per cent. bonds, dated on the 1st day of August, 1840, for two hundred and twenty-five pounds each; none of which are numbered.

I also signed, at the same time, 304 Indiana 5 per cent. dollar bonds of \$1,000 each, bearing date on the 1st July, 1840; 300 of which are numbered from 4,301 to 4,600 inclusive. The other four not numbered.

These bonds were handed over to Gen. M. Stapp, the other Fund Commissioner. (Of the Sterling bonds first signed, Gen. Stapp, as I am informed by a letter from him) has forwarded to Europe for exchange for some informal bond, \$250,000. The balance of the bonds so signed as above, I am informed by the same letter from Gen. Stapp, are mostly in the vaults of the Merchants Bank N. Y. City.

The act of last General Assembly requires the Treasurer of State to cancel all unsold bonds signed by him within the year. It will be obvious that these bonds are not now, and cannot for some time yet to come, be cancelled, but as the old ones will be gradually called in, Gen. Stapp, on his return from New-York, will be authorized to cancel them within the year as directed by him. The bonds signed are duly registered in this office.

All of which is respectfully submitted.

M. D. PALMER, Treasurer of State.

the State without payment, and some of them under circumstances approaching to fraud, I respectfully submit, whether it will not be proper and just, and without danger or deterioration from the honor and good character of the State, to take some legal steps, by injunction or otherwise, to protect the interest of the State from the immense loss, otherwise likely to result from this unfortunate condition of so large an amount of our public securities.

It is most manifest that the resort here suggested, should only be taken upon the most full and clear conviction that the course will be sanctioned and sustained by the undoubted equity and propriety of the measure in the eyes of all enlightened and honorable men.

It may be alleged, that even admitting we have good cause for this resort, that it would be better to forbear and suffer the loss than pursue it, as the public credit would be thereby injuriously affected. In reply it might with much force and propriety be enquired, whether the most confidence and credit would be accorded to that state or individual that was lavish and profuse with obligations and promises, even to parting with them without consideration and when obtained by fraud; or to the other that should be more sparing of promises and liabilities, and resisting unflinchingly in obtaining them; all indicating intention to pay, and honesty of purpose in all that related to the pledges granted. It is not the purpose of the undersigned, to attach blame to any person, but it seems but right and proper that our true position should be clearly and fully presented, inasmuch as reliance upon any false hopes or expectations, in regard to the means necessary to preserve the public faith, will inevitably sink us into greater and more serious difficulties.

It appears important then, under this view of the matter, that withdrawing all dependance, for the present at least, upon these debts, other provision should be made, without delay, for the prompt discharge of such of the unfunded debt, before enumerated, as a prudent resort or issuing Treasury Notes, on many accounts, and particularly the injurious effects upon the credit of the State by its paper being hawked about in small amounts and at a discount, is highly objectionable and should if possible be avoided.

THE INTEREST ON THE PUBLIC DEBT.

The amount required to pay the interest on the entire debt of Indiana for the year 1841, will be \$683,371 65
To which add a deficit in the means to pay the interest for 1840, which it will be necessary to provide for 40,000 00

723,371 65

The means which are already provided to meet this

sum in part, are:

1st. Amount to be paid by State Bank on \$1,300,000 stock actually invested by the State in the Bank

69,000 00

REPORT

OF THE

STATE BANK.

NOVEMBER, 1840.

To the General Assembly.

Since the last annual report, the second instalment due on the State stock and from private stockholders, has been paid into the Michigan City Branch; the third instalment due from the State has been paid into the South Bend branch, and \$20,000 received on the loan authorized to be made in 1839, has been paid over as additional capital in the Madison branch. Funds have not yet been obtained to organize the 14th, 15th, and 16th, branches, nor to pay the private stock for which mortgages have been executed at the South Bend branch.

The State stock in the bank now amounts to \$1,304,950, derived from the following sources, viz:

Sale of 5 per cent. State bonds,	-	-	\$865,000 00
Third instalment Ft Wayne br. from sinking fund,			15,000 00
Fourth instalment of surplus revenue anticipated by issue of 6 per cent. State bonds and part of third instalment from payments on mortgages,			404,950 00
Part of loan of 1839,	-	-	20,000 00
The stock owned by individuals, amounts to	-	-	1,366,668 75

Total, exclusive of \$15,000, not yet reported from South Bend,	-	-	2,671,618 75
--	---	---	--------------

The dividends on the State capital for the year ending November 1, 1840, amount to \$120,401 19; and the surplus fund has, during that time, increased \$31,904. As near one-half of this belongs to the State, the rate of profit for the year has been ten and a half per cent.

The losses of the bank the last year, are estimated at \$50,000, being at least five times the amount of all that had been sustained for the five previous years. The suspended interest on the debt due from the State and on other suspended accounts, which cannot be added to the profits until actually paid, will about equal the losses.

As near as could be ascertained at the last semi-annual examination, the discounts to different classes of business men were:

To merchants,	-	-	\$1,032,136.
To farmers,	-	-	600,310.
To manufacturers and mechanics,	-	-	610,754.
To exporters,	-	-	723,842.
To all others,	.	-	771,376.

The loans to exporters will have been increased near a million of dollars before April; and those to others, merchants especially, a good deal diminished.

The notes and bills under discount amounted to 6,590.

The discounts to directors amounted to \$430,802.

The discounts to other stockholders, to 907,797.

The discounts to persons not stockholders, 2,399,819.

Of the private stock, \$320,500, was owned by persons who borrow nothing or to a less amount than their stock; and \$545,353, by persons who owe the bank more than their stock. In eight of the branches, more than seven-tenths of the private stock is held by persons, who usually borrow nothing or very little; and the discounts to their directors were \$203,193, being \$151,833 less than was due from the directors of the same branches in 1838.

In some other branches, there is more stock held by borrowers than is desirable; yet where there are but few capitalists in a bank district wishing to invest funds in bank stock—where the borrowing stockholders would sell their stock at once if purchasers of the right kind could be found; and where the business is safely and prudently managed, no interference can be required of the State Board.

There have been almost no difficulties in managing the bank, which have not arisen mainly from the purchase of stock by persons with the expectation of borrowing money on more favorable terms than could be allowed to others. As these difficulties have occurred from time to time, such measures have been adopted by the State Board as appeared necessary to correct the evil, and no positive failure to do so, has yet occurred. In regard to these and all other exceptionable proceedings in branches, it is understood by the State Board that they must be corrected; "that the branches which conduct their business properly, "must not be endangered by others, and that "the whole institution can and must carry with it a good share of "favor from the well informed business men of the State."

The directors and stockholders of the bank generally make the same payments as other borrowers, and the branches are as desirous of obtaining safe and punctual customers as they can be to receive accommodations. As the directors and principal dealers in bank cannot be permitted to lie under protest even as endorsers, their liabilities for others often make their debts large, when only a small portion was originally obtained for their own use.

During the past year there has been less anxiety than heretofore in the branches to increase their capital, for the demand for loans for actual business and short periods has somewhat decreased. Still in many parts of the State if the bank possessed the ability, more loans might be made, with advantage to all concerned, and probably the capital of most of the branches might be increased with but little diminution of the rate of profits.

Much embarrassment has been felt in several of the branches, from the large advances made for the State in the summer of 1839, with no other expectation than that they should be speedily paid in New York. This sum and interest which will be on the first of July next \$692,433 in connection with the \$234,500 of State Bonds advanced for the 4th instalment of surplus revenue, is for the time being no basis for banking, and is for all practical purposes a withdrawal of an equal amount of the capital of the institution. As the bonds were taken voluntarily no complaint is made on their account, though none of them have been sold and the State derives a clear profit of about \$9,000 a year from an operation which is a loss to the bank of at least the amount gained by the State. That the bank may possess the means to keep up and increase its facilities for promoting the great business concerns of the country, it is most respectfully, yet earnestly urged upon the Legislature, that they make early provision to pay the debt due from the State.

The following table shows the highest and lowest discounts and circulation of the bank for the last four years.

1837, highest discounts	April 1,	\$4,314,827.	Lowest disc'ts	Oct. 31,	\$3,367,267
" highest circulation	April 29,	2,615,275,	" " "	" "	2,205,812
1838, highest discounts	Jan. 20,	3,596,957.	" " "	July 21,	3,182,503
" highest circulation	Oct. 31,	2,804,468.	" " "	Jan'y 6,	2,308,120
1839, highest disc'o'ts	March 15,	4,995,282.	" " "	Oct. 31,	3,940,382
" " circulation	" 30,	3,847,503.	" " "	" "	2,985,372
1840, " discounts	" 31,	4,309,757.	" " "	" "	3,617,249
" " circulation	" "	3,279,897.	" " "	" "	2,835,902

Except in the year 1838, when the suspension of specie payments discouraged to a great extent new enterprizes, and which accounts for the difference in the business of that year, it appears that the discounts and circulation of the bank are usually considerably larger in the winter and spring than in the summer and fall. While the produce business of the State maintains its relative importance, and is managed as heretofore, these fluctuations must be expected. If more industry and capital were employed in manufactures, and if it would suit a portion of the farming interest to engage more extensively, at the proper season, in buying and fattening stock and hogs, to pay when exporters want their accommodations, the business of the bank might be nearly uniform throughout the year. Any attempt however to force a circu-

lation beyond the business wants for a currency, will not be found advantageous to the bank, or the country.

Since October, 1839, most of the banks in the middle, southern and western States, have not paid specie on their notes as usual. A heavy drain of specie from these banks was submitted to for some months, in the hope that it would cease with the panic which produced it. But when it was feared that some of them might fail, and this would occasion so much alarm as to others, that the demand for specie would continue and increase, it was believed that suspension for a time was the least of the evils which the banks could make choice of. The most of them by paying out their specie, and forcing collections to the utmost, could have met all demands; but it would have been at the expense of blighting the hopes and blasting the prospects not only of business men generally, but of most of the creditors and debtors of the State.

By Mr. Woodbury's Report of April 9th, 1840, it appears that the circulation of all the banks in the Union, has been as follows, at the times specified:

January 1st, 1835,	-	-	-	\$103,692,495.
January 1st, 1836,	-	-	-	140,301,038.
January 1st, 1837,	-	-	-	149,185,890.
January 1st, 1838,	-	-	-	116,138,910.
January 1st, 1839,	-	-	-	135,170,995.
January 1st, 1840,	-	-	-	106,968,572.

The great reduction of circulation in 1838 and 1840, must have been much greater in each case, but for the suspension, which still left a currency not in general five per cent. below specie. With this, much of the debt of the country has been paid, often, no doubt, at considerable sacrifices; yet still insignificant to what they must have been, had no suspension taken place.

The circulation of the State Bank of Indiana has varied more in reference to the business demands of the country, than from any other cause, and yet the baneful influences of the fluctuations in other States, have been severely felt here.

It is understood that specie payments will be resumed at an early day, and may it not be hoped that general confidence will be restored—that enterprise and industry will again seek their appropriate rewards, and that years of steady improvement and increasing prosperity, may follow the severe lessons which should not have been given in vain.

There has been no opportunity for selling State Bonds for bank capital during the past year, and the last legislature, having given the care of the bank loan of 1839, to the Fund Commissioners, that subject will have been properly noticed in their report. The annexed tables show the state and condition of the Bank at the time specified in the Charter.

Respectfully submitted.

S. MERRILL.

State Bank, December 8, 1840.

STATEMENT

Of the Condition of the State Bank of Indiana on October 31, 1840.

RESOURCES.

Discounted notes,	- -	\$2,912,619 42	
Bills,	- - -	704,629 12	
Branch balances,	- -	71,766 41	
Balances due from other banks,		335,505 68	
Banking house, furniture, &c.		204,805 77	
Due from the State of Indiana, for } deferred payment of advances for } public works,		646,284 49	
Indiana bonds taken for fourth in- } stalment,		294,000 00	
Remittances and other items,		86,153 98	
Notes of other banks,	-	195,724 00	
Specie,		1,092,963 72	
			\$6,544,452 59

LIABILITIES.

Notes in circulation,	- -	\$2,835,902 00	
Branch balances,	- -	73,998 00	
Balances due to other banks,	-	154,423 69	
School tax,	- -	3,605 13	
Dividends not called for,	- -	6,815 10	
Sinking fund and other items,	-	79,227 07	
Balance due individual depositors,		309,248 61	
			\$3,463,219 60
Leaving the amount of resources of } the bank, over and above all lia- } bilities other than to the stock- } holders,			\$3,081,232 99
			\$6,544,452 59

The excess above stated of the means of the bank, beyond her liabilities, is distributable as follows:

To the State of Indiana, for stock under the charter,	880,000 00
To the State of Indiana, from loans of 1839,	20,000 00
To the State of Indiana, for stock from the surplus revenue,	404,950 00
	1,304,950 00
To individual stockholders,	1,365,883 13

Total capital,

\$2,670,803 13

Amount in surplus fund,	\$275,839 43
Profits of last six months,	134,590 43

Total profits undivided,	\$410,429 86
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Total excess,	3,081,232 99
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The circulation of the bank on October 31, 1839,	
was,	\$2,965,371 00

The circulation of the bank on October 31, 1840,	
was,	2,835,902 00

Showing a less amount than this time last year by	\$129,469 00
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The specie in the bank on October 31, 1840, was	\$1,092,963 72
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The specie in the bank on October 31, 1839, was	1,021,490 18
---	--------------

Showing a larger amount than at this time last year by	\$71,473 54
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JAMES M. RAY,
Cashier.

GOVERNOR'S MESSAGE,

DELIVERED TO THE

GENERAL ASSEMBLY,

OF THE

STATE OF INDIANA,

DECEMBER 8, 1840.

INDIANAPOLIS:

OSBORN & CHAMBERLAIN, PRINTERS.

1840.



MESSAGE.

Gentlemen of the Senate

and House of Representatives:

The past, in many respects, has been to the nation at large, a remarkably spirit-stirring and eventful year. The advocates of human liberty—of man's capacity for self-government—have been furnished with abundant evidence calculated to confirm them in their principles, and to stimulate them to continued exertions. The friends of our great and as yet unbroken confederacy, have not been left without cause for congratulation; they, too, may confidently renew their faith in the strength, wisdom, and recuperative energies of the Constitution; in its well-tried capacity of sustaining itself successfully through the fiercest storm of political contention. The alarming extent of power which the experience of the last twelve years proves to be vested in the arm of the Executive branch of the General Government, has been also as clearly shown to be more than counter-balanced by the great conservative power entrusted to the keeping of the people. The contest between these powers has been truly great and exciting; and we have every reason to rejoice over the result. The people have indeed acquitted themselves nobly. They have resisted and repulsed the enemy at all points; and, what is by far the most gratifying, they have evinced to the world that the rod of proscription cannot intimidate, that bribery cannot purchase, and that fraud and corruption cannot seduce them from the faithful discharge of their high and solemn duties. May such qualities, therefore, be always exhibited by every succeeding generation of American freemen, and then our Union and liberties will be as immortal as the renown of those who achieved them.

Restricting our observations to the narrower sphere of our own State, we find, even through the surrounding gloom which has gathered over the pecuniary condition of our citizens, enough to claim our most fervent acknowledgements to the Giver of all good. We have received from the Divine hand the choicest tokens of its favor. The teeming earth has rewarded the tiller of its soil. No desolating pestilence has invaded our limits, and filled our homes with lamentation and woe. The reviving spirit of enterprise has awakened to its labors, and cheerful industry has resumed its gainful pursuits. The means of education, moral improvement, and religious culture, have been extended to every class, and their auspicious effects are seen, as well in the general diffusion of intelligence: as in the elevated character of the people.

The sovereignty of the laws has been respected. A jealous observance of the public peace has eminently distinguished the conduct of our citizens; for although we have just closed one of the most heated and exciting contests recorded in our history, yet, they in no instance, as far as my knowledge extends, have permitted riot to disturb, bloodshed to disgrace, or intemperance to degrade any of their frequent and numerous assemblages.

For a detailed account of the condition of the Treasury, you are respectfully referred to the Report of the Treasurer of State, which will, in due time, be laid before you. According to that Report, the receipts of the fiscal year, ending, October 31st, 1840, amount to four hundred and four thousand one hundred and fifty-eight dollars and thirteen cents; and the expenditures to three hundred and ninety-five thousand nine hundred and thirty-six dollars and ninety cents; leaving a balance in the Treasury of nine thousand two hundred and eighty-one dollars and twenty-three cents.

Inasmuch as the character of the times and the involvements of the State, imperatively demand a system of the severest economy, it may not, perhaps, be unprofitable to enumerate some of the items of expenditure with which the people are burthened, in order that you may the better see wherein the principle of reform may be most safely and advantageously applied. The legislative expenses this year amount to forty-four thousand nine hundred and seventy-one dollars and seventeen cents—two thousand four hundred and eight dollars and five cents more than in 1839. The account for public printing, considering that no extra work was required or performed, reached the heavy and unnecessary sum of twelve thousand four hundred and fifty seven dollars and eighty one cents. To these must be added the expenses of the Executive Department, three thousand eight hundred and fifty dollars; of the Judiciary, sixteen thousand three hundred and thirteen dollars; of Probate, three thousand seven hundred and sixty-five dollars; of Prosecuting Attorneys, one thousand seven hundred and twenty-five dollars; and of the State Prison, nineteen thousand six hundred and fifty-one dollars.

As to the item first named, permit me to say, that it will be in your power to diminish it greatly hereafter. For, when you come to discharge the constitutional duty which devolves upon you, at the present session, of fixing the apportionment of Senators and Representatives, for the next five years, a reduction of their number would greatly contribute to curtail the onerous expense of this branch of the Government without jeopardizing, as I can see, any of the great interests of the State. Indeed, my experience teaches me that a House of Representatives consisting of sixty members, and a Senate of thirty, would transact more business in a less time—far better—and more to the satisfaction of the people, than can a House of a hundred members and a Senate of fifty. And in like manner with regard to nearly all the other branches of expenditures above named, you can do much—very much, towards lessening their respective amounts, by firmly and patriotically determining to sacri-

fice on the altar of public good, a portion of your individual, sectional, and county interests. In the midst of the extraordinary prosperity recently enjoyed by all classes of society, such acts of devotion were neither necessary nor demanded. If the expenses of the State were then great, the people possessed correspondent means to meet them without distress or difficulty; but not so now: their circumstances have undergone a fearful change—a severe pressure is upon them; and hence you cannot well discharge a more acceptable act of duty at this time than to endeavor to bring down the wants of the Government to the standard of their present ability to supply with ease and convenience.

In my last annual communication, I invited the attention of the Legislature to the subject of the State Prison. I then urged the necessity of making some radical change in its present system of organization and management. No legislative action was, however, had on the subject, and believing that the defects which have caused such frequent and just complaints require the efficient exercise of your authority, I am again induced to ask your serious consideration, to the propriety of an immediate re-organization of the institution or of such alterations in its government and discipline, as you shall deem expedient. The time is certainly propitious. The outstanding contract with Messrs. Patterson & Hensley will shortly expire. Whatever changes are needed, should therefore be made previously to forming any new engagements under the existing law. The able and satisfactory report of the visiter, Dr. Haymond, is herewith submitted. His views and recommendations concerning the institution generally, are worthy of respectful attention. With him, I am clearly of opinion that instead of farming out the prison as heretofore, the State should take it into her own hands, and by the appointment of efficient officers, with competent salaries, manage and have the superintendence of it herself.

From an examination of the returns of the taxables of the present year, I regret to say that it is not in my power to speak as favorably of the advanced wealth and prosperity of the State, as my desires would otherwise dictate. The suspension of the public works and the general stagnation of all business have sensibly affected the value of every species of property. The diminution has indeed been great; more so by far than we had any just grounds to anticipate. I find, also, that the assessments, which for years past, have constituted a subject of complaint in almost every Executive message, are, if any thing more glaringly and unpardonably defective than ever. This continued carelessness on the part of the assessors, has at length grown to an evil of such magnitude that some speedy and effective remedy is loudly called for by every principle of right and justice. It is now virtually the case, that one portion of community is burthened with taxation, to the exemption of another; a state of things wholly inadmissible.

The number of polls returned to the Auditor, amounts to one hundred thousand, one hundred and sixty-six—greater by four thousand

eight hundred and seventy-five, than in 1839. The quantity of land assessed appears to be 8,273,000 acres valued at fifty-eight millions, three hundred and forty-three thousand, nine hundred and ninety-two dollars; being an increase of 797,680 acres, and a decrease in the aggregate value of seven millions six hundred and forty thousand eight hundred and eighty-seven dollars. In like manner, the value of town lots has reached only twelve millions, five hundred and three thousand, five hundred and nineteen dollars; corporation stock to one million one hundred and sixty-eight thousand three hundred and forty-three dollars; and personal property to nineteen millions seven hundred and forty thousand, one hundred and sixty-six dollars; making the entire amount of the taxable property of this State, ninety-one millions seven hundred and fifty-six thousand and nineteen dollars—less than in 1839, by fifteen millions five hundred and eighty-one thousand six hundred and ninety-six dollars.

Fortunately we have it in our power to disperse a portion of the gloom which such results are too well calculated to produce. They are not true; and unless promptly contradicted, and a correct exposition given, would tend much to our mortification, to place the State in a false position in the eye of the public. Take, for example, the number of polls returned, and compare that number with the vote cast at the late Presidential election, and you at once see that between eighteen and twenty thousand polls have been altogether omitted—*one-fifth, nearly, of the whole number returned.* Nor is this the only error susceptible of detection. According to the Report of the Commissioner of the General Land Office, 10,509,025 acres are legally taxable this year, whereas the assessors return but 8,273,120 acres as already stated—2,235,906 acres less than the true amount. If, therefore, we acknowledge these examples as just criterions by which to judge of the balance, we cannot possibly avoid the inference that at least one-fifth of the entire taxable property of the State escapes taxation this year.

But further, the average value of lands throughout the State, appears to be seven dollars and five cents an acre. The 2,235,906 acres therefore, not assessed, is worth, for tax purposes, fifteen millions, seven hundred and sixteen thousand one hundred and thirty-seven dollars, which with the ninety-one millions, seven hundred and fifty-six thousand and nineteen dollars assessed, would give one hundred and seven millions, five hundred and nineteen thousand, one hundred and fifty-six dollars as the lowest amount which should have appeared upon the assessment rolls this year subject to taxation. One hundred and eighty-one thousand dollars above the same amount in 1839; the diminution of value in property to the contrary notwithstanding.

I hope I shall be excused for dwelling upon this subject. My object has been two-fold; first to expose the gross defects in a very important part of our present revenue system; and secondly, to vindicate the credit and character of the State from the imputation of having retrograded in wealth and resources.

A thorough revision of the Revenue Law, is the only effective

remedy that I can suggest against the recurrence of similar evils; and when you are advised that in 1841, 13,758,236 acres; in 1842, 15,008,054 acres; and in 1843, 15,610,479 acres, become subject to taxation, the necessity for the searching exercise of your supervisory powers over the subject needs not to be enforced.

The public debt of the State, as exhibited in the Report of Gen. Stapp, one of our Fund Commissioners, amounts to \$12,873,509 dollars; 9,968,509 dollars for Internal Improvement purposes; 294,000 dollars for Surplus Revenue bonds; 221,000 dollars for the Lawrenceburg and Indianapolis R. R. Company; and 2,390,000 dollars for Banking purposes. The Internal Improvement debt consists of the following items, to wit: to the State Bank 692,435 dollars; for the Wabash and Erie Canal 1,727,000 dollars; for the System proper 6,235,000 dollars; and for Treasury Notes 1,314,075 dollars. Of the 12,873,509 dollars, only 10,006,652 dollars have as yet been received—leaving 2,866,857 dollars due from the purchasers of our State bonds. This circumstance is much to be regretted, as it appears that a very large proportion of this indebtedness is in a most hazardous condition. Indeed it is highly probable that the greater portion of it may be ultimately lost to the State. The efforts, however, of Gen. Stapp, I am happy to say, have been faithfully and unremittingly exerted to prevent such a disaster. He has labored incessantly to procure from the respective debtors the best securities in their power to furnish. To what extent he has succeeded time only can determine.

It is perhaps due to you and to the other Fund Commissioner, N. B. Palmer, Esq., to state that he differs with Gen. Stapp as to the amount of the Public debt. In his exhibit to the Executive, which I herewith transmit, he fixes it at 13,531,509 dollars—being 658,000 dollars more than his colleague. Mr. Palmer having thus furnished merely a naked statement of the supposed items, unaccompanied by any explanatory communication, I do not feel justified in venturing an opinion as to the facts, when the results above referred to are so widely variant. I deem it, therefore, most proper to refer you to their respective reports, when they shall be laid before you, presuming that they will contain all the information necessary to enable you to arrive at correct conclusions.

Upon ascertaining the large indebtedness of the State, prudence suggests that we should inquire in what manner the public funds have been appropriated, and what equivalent we have received in exchange for them. The query is answered by pointing to near three hundred miles of Public works;—twenty-five of Rail Road—forty-two of McAdamized road—and two hundred and thirty miles of canal; to nearly two millions of dollars in Bank and Sinking Fund stocks, and to upwards of half a million of dollars for canal lands disposed of by the State.

The amount of interest chargeable upon the public debt is easily calculated. It is supposed that the interest on about 2,164,687 dollars of the suspended debt will be promptly paid by the holders of our State bonds. Subtracting this amount from the sum total of the

debt, would leave 10,708,921 dollars as the amount upon which interest has to be provided for by the State this year. This, at the rate of five per cent., including contingencies, will be about 595,000 dollars. The important question, therefore, occurs, what means, independent of taxation, have we to pay this heavy sum? They are as follows, to wit:

The State Bank of Indiana,	-	-	-	-	\$71,025
Interest on Canal Lands,	-	-	-	-	22,000
Surplus Revenue,	-	-	-	-	32,000
Lawrenceburgh and Indianapolis Rail Road Company					11,050
Canal Tolls,	-	-	-	-	5,000
Madison Rail Road,	-	-	-	-	10,000

\$151,075

This deducted from the 595,000 dollars, would still leave 443,925 dollars unpaid. This is certainly a formidable deficit, requiring to meet it, at least, a levy of between forty-five and fifty cents on every hundred dollars worth of property throughout the State. Are you prepared, then, to levy this tax? or, in other words, can you avoid it without jeopardizing the credit and character of the State? Before answering, or attempting to answer, queries so interesting, it is highly necessary that we should first determine the extent and character of the means you will, or may have under your control. For this purpose I name to you in the first place the Surplus Revenue, amounting to 583,254 dollars, which, if drawn in and converted into Bank stock, would produce 10 per cent., or

-	-	-	-	\$58,325
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Secondly, the interest upon the Sinking Fund, - - - 60,000

Thirdly, 2 per cent. on Bank stock,	-	-	-	60,000
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Making altogether from these sources, - - - \$178,325

which, if applied to the liquidation of the interest, would leave only 265,000 dollars to be raised from the people by taxation, or about 27 cents on the hundred dollars.

I am well aware that I shall probably be told that to effect such an operation, steps must be taken which a mere seeker of popularity would studiously avoid. I grant it true: but, then I flatter myself that there are none such here. Certainly the honor and lasting interests of the State—all our proud recollections of the past, and our dearest hopes of the future, require that there should be none. In the present momentous crisis of our affairs, wise heads, honest hearts and fearless spirits, can alone conduct us safely and triumphantly. With such to direct, such to lead us there is no danger.

Ours are a debt paying people; and the promptness with which they have denied their confidence to every unprincipled demagogue who dared to preach a contrary doctrine, is the proudest evidence of the stern moral honesty that pervades the mass. They have complained, and perhaps in many instances justly, of mismanagement in the conduct of their affairs; but, then, whoever infers from that, that

they could be persuaded to repudiate their honest debts, is ignorant of their character, and but poorly appreciates their firmness and integrity. The point, with them, is not how to avoid their contracts, but how they can best fulfil them with the least possible oppression and difficulty. These facts, therefore, unerringly designate the course you are to pursue, and the duties you are expected to perform. They are evidently to curtail every expense as far as practicable, to husband our resources carefully, to apply them judiciously, to resort to taxation only when all other just and proper expedients fail; and to maintain, at all hazards, the credit of the State unimpaired.

With a view to relieve the people from the oppressive taxation which we see otherwise awaits them, I, on a former occasion, urged the propriety of claiming our distributive share of the proceeds of the sales of the public lands. The singular and unprecedented course pursued by some of the distinguished leaders of the present administration in Congress, renders it more imperative than ever upon the states to contend for the strict letter of their rights. I speak at least for Indiana. She has not asked, nor has she directly or indirectly intimated an intention of asking the General Government to assume the payment of her debts, nor to my knowledge has any of the states; yet we have witnessed a most disreputable effort in a certain quarter, to discredit the good faith and resources of the states, upon the gratuitous assumption that there was an intended movement on their part to accomplish that purpose, through the agency of the national legislature. By the deeds of cession of the several states, and especially of Virginia, the ceded lands were designed as a common fund for the use and benefit of all the states then admitted or that might afterwards be admitted into the Union. The General Government was created a trustee with powers and duties clearly defined. Its authority over the national domain evidently consists in faithfully carrying into effect the beneficent object of the ceding states, and its obligation to do so is solemn and imposing. From 1832 to September the 30th 1833, the fund derived from the sales of the public lands amounted to \$63,443,308, and the sales since made have largely increased it. Have we not, therefore, a right to demand of this trustee our share of the fund, and especially of that portion of it which has accrued since the extinction of the public debt? According to the distributive principle of Mr. Clay's land bill, Indiana would be entitled to about \$3,000,000. The fate of that bill is known to the nation, and is a subject of poignant regret. Congress having by appropriate legislation given utterance to the public will, in the only form in which it could be authentically expressed, that will was contemned and defeated by the arbitrary and unprecedented action of the Executive branch of the Government. The aggravated injustice of that act of the late President is equalled only by the presumptuous insolence of the friends of the present Executive in Congress, in impeaching the honor of the sovereign states which form our glorious Union, and denouncing them as bankrupts in fortune and in fame. We are cheered, however, by the auspicious promise of the future—by the hope that the constitutional limitations of

the Government will be respected, whilst its powers are wisely exercised for the good of the whole people, and that the public will, the only legitimate foundation of republican institutions, will be obeyed by the public servant. I beg to suggest to you the propriety of instructing our Senators and requesting our Representatives in Congress to demand as a matter of right on the part of Indiana, her distributive share of the proceeds of the public lands. With those funds at your disposal you can exempt the people in a measure from taxation, promote the cause of education, prosecute our system of internal improvement, and greatly increase the wealth and prosperity of the state.

In connection with this subject I have the honor to inform you that I have received from their Excellencies, the Governors of New-York, Connecticut, Vermont, and Kentucky, certain resolutions adopted by the legislatures of their respective states, in relation to the public domain. In compliance with their request, I lay them before you. You will perceive that the views I have expressed are fortified by their concurring opinions, in reference to this vitally interesting subject.

I have received from the Secretary of State, of the state of Michigan, a memorial and joint resolution adopted by the legislature thereof, soliciting Congress for an appropriation to construct a ship canal around the falls of the River de St. Marie near the out-let of Lake Superior; and from the Governor of Connecticut certain joint resolutions of the legislature of that state, in relation to the duty of the General Government to protect the domestic industry of the country. I herewith submit them to you for such action thereon as you may deem expedient and proper.

Concerning the Surplus Revenue fund, I wish to be clearly understood. I contended, originally, for the policy of converting it into bank stock instead of scattering it among the counties. Experience and subsequent reflection have confirmed my opinion as to the propriety of the views I then entertained. In my last annual message, I suggested the expediency of restricting the loans of that fund to such borrowers as could tender security upon real estate. The recommendation not meeting the views of the Legislature, the law remains unchanged. The officer in charge of the fund reports, this year, that the interest upon about one-fourth of the principal has not been paid or accounted for. You may judge from this fact what is the probable condition of the principal. What guaranty, I ask, have we, that in twenty years hence, we shall not have, by such improvident legislation, permitted every dollar of it to be squandered. If you decide against the temporary application of the proceeds of the fund to relieve the people from taxation, still in justice to the interests of education some salutary measure should be adopted to make it more productive, and to secure it from loss. Loaned as it now is, it can yield only \$44,000 subject to all the contingencies, consequent upon careless, dishonest, and incompetent agents. Its conversion into bank stock would produce nearly \$60,000 annually with the undeniable advantages that the profits would be more certain, that it could be distributed to the several counties with less expense, and last, not least,

that it would be more immediately under the control and supervision of the legislature.

By an act of the last General Assembly, it was made the duty^d of the Executive to appoint two individuals to assist the Commissioner having charge of the Wabash and Erie canal, in making a further and final selection of the lands due to the State for the construction of that portion of the work lying between the mouth of Tippecanoe river and the Ohio State line. The persons appointed were the Hon. David Hillis, and Jordan Vigus, Esq. Their report, in conjunction with the commissioner, Jesse L. Williams', accompanying the message, will satisfactorily show the manner in which they have discharged the important duties assigned them. This report, agreeably to the act of Congress upon that subject, has been transmitted, by me, to the Secretary of the Treasury of the United States. The object of the Legislature in expediting these selections was, to raise funds for the completion of the canal by effecting a speedy sale of the lands. By the commissioner's report you will be advised in detail of the result of his operations; and to what extent that desirable object was attained. The late treaties with the Miami tribe of Indians, prove exceedingly detrimental to the interest of the State, in consequence of nearly all the numerous Indian grants having been located upon the lands which fell to the lot of Indiana. The State loses the benefit of their greatly enhanced value by reason of their contiguity to the canal. It appears that on the regular alternate canal tiers unappropriated by these grants, there were found to be only 61,741 acres subject to disposal by the State which have been classed and rated as follows:

First class, 1,747.24 acres at \$7	-	-	-	\$12,230 68
Second class, 18,993.27 acres at \$5	-	-	-	94,966 35
Third class, 41,000.49 acres at \$3	-	-	-	123,001 47
Total rated value				\$230,198 50

Of these lands there have been sold at public sale and private entry up to the 18th November, inclusive, as follows, to-wit:

Of the first class 475.03 acres at an average of \$7 79	3,701 00
Of the 2d class 7,420.61 at an average of \$5 38	39,954 47
Of the third class 15,810.92 at an average of \$3 43	54,201 41
Total sales	\$97,856 88

Showing a total sale of 23,705.66 acres for an aggregate sum of \$97,856 88 cents, making a general average of \$4 13 per acre.

On these sales there have been received \$29,809 57 for the first payment on the principal, and also \$4,079 98, the interest on the balance due for one year in advance, giving the sum of 33,887 55, as the total receipts up to the time named.

On the 18th November, there remained unsold of the above lands, 8,035 34 acres, valued at the sum of \$142,340 18, which are subject to entry.

Of the grants made by the treaties to individual Indians and others 24,290.00 acres have been located within the regular canal tier; thus depriving the State by far the most valuable portion of the lands upon which she has heretofore relied as a source of income.

In lieu of these grants, there have been selected out of other lands belonging to the United States 69,883 acres, which are supposed to form but a fair equivalent for the lands withheld from the State.—These selections, however, under the construction given to the law cannot be disposed of by the State until the title be perfected by an act of Congress, as in the case of the selections made in 1830, in lieu of lands sold and reserved in former treaties.

In my communication to the Secretary of the Treasury these facts were partially noticed, and I expressly advised him that the State relinquished her claim to the 24,290 acres only on condition that Congress confirmed the selection of the 69,883 acres, supposed to be a just equivalent for their loss. The grounds upon which I predicate this claim of the State are these; first, that the fee-simple to all the unsold lands, whether Indian or otherwise, resides in the General Government; secondly, that the Indian title is a possessory one merely; thirdly, that the act of Congress of 1827, under which the State claims, operates as a deed of conveyance; and fourthly, that it is not competent for the government by any subsequent act to transfer to others, without the consent of Indiana the fee-simple to the same lands. There being no mode of adjusting this difficulty, without the intervention of Congress, I respectfully requested the Secretary of the Treasury to withhold the 69,883 acres from public sale until an opportunity could be given to that body to meet and act upon the subject.

The operations of the Board of Public works have necessarily been limited. Their duties have been confined principally to closing the outstanding contracts with contractors; the assessment of damages; the preservation of the completed portions of the public works; the construction of a part of the Madison and Indianapolis Rail-road; and the completion of the Wabash and Erie canal to Lafayette. To accomplish the latter object, the Legislature, by law, pledged to the contractors the proceeds of the sales of the canal lands already named. The 33,887 dollars, therefore, reported as having been received from this source, have been applied, by the commissioner, to the payment of their claims.

The result of the Legislation of last winter on the general prosperity of the State has been the reverse of beneficial. It may be seen, for example, in the reduction of between fifteen and twenty millions of dollars in the value of all real and personal property; in the augmentation of the public debt some 85,000 dollars, in the way of damages to contractors; in visiting distress, and frequently ruin upon the working and industrious portions of community, by refusing them employment, and paying them in funds which subjected them

to the tender mercies of the broker and shaver—and all this too without a step being taken—an effort made, or a measure suggested, either to liquidate the public debt, or to meet the annual interest accruing upon it.

The amount of tolls collected on the Wabash and Erie Canal is about 3,000 dollars; on the Whitewater 1,500 dollars; on the Madison and Indianapolis Rail Road 14,000 dollars; and on the New Albany and Vincennes McAdamized Road nothing that I know of. The individual having charge of this work has not seen fit to make any report to the executive: Indeed, I am not aware, that it was made his duty to do so.

The policy of completing some two or three of our public works is to my mind unquestionable. Through the politeness of the Marshals employed in taking the census, I have learned that about 900,000 bushels of corn, 67,000 bushels of oats, 30,000 bushels of wheat, and 20,000 head of hogs have been raised in Marion county this year. A better, a more striking illustration, perhaps, of the disadvantages under which the farming interest of the interior labors, for the want of some cheap and convenient thoroughfare to market, cannot well be offered, than by simply stating the difference of value between the foregoing articles *here* and on the banks of the Ohio last summer. Corn *there* commanded from 40 to 43 cents a bushel, *here* from 15 to 20—a difference of one half against the farmer of Marion, or upon the 900,000 bushels of 180,000 dollars. Startling and incredible as this fact may at first appear, though limited to a single county, still what must be its character when the produce of all the surrounding and interior counties shall be included in the estimate? With it in possession, need the advocate of Internal Improvement ask a surer guaranty to secure for him an attentive and a successful hearing, from the people, and in the halls of legislation?

Whilst the receipts and expenditures of the State were limited to the mere support of the government, the necessity of maintaining such an organization of the Executive Department as that some one of its branches should always serve as a check upon the rest, appeared of little or no importance. Hence, from time to time, as new interests sprang up and new responsibilities were created, we find the legislature, instead of adhering closely to the check principle, unvariably departing from it. The offices, for instance of Auditor and Treasurer, were created by the constitution, with the express intention that the former should operate as a check on the latter; nevertheless, such have been the course and effects of legislation, for the last few years, that in respect to several of the public funds—the College Fund, the Saline Fund, the Three per Cent Fund, and the Surplus Revenue, that wise and provident precaution has been wholly neglected. The Treasurer is authorized by law to loan all these funds at his own pleasure. The improvement fund belongs to the State, and its receipts and disbursements should be subjected to the management and control of the constitutional officers, the Treasurer and Auditor. Indeed every receipt and payment on account of the State should appear on their respective

books. The existing laws, in not requiring such a safe guard to the due application of the public money, are very defective. To accomplish an object of such vital importance and to secure a proper accountability from the officers in charge of that branch of the public interest, the amending exercise of your authority is indispensably requisite.

While the pecuniary condition of the country has undergone frequent and severe fluctuations within a few years past, the currency of Indiana has varied less, perhaps, than that of any other State in the Union. The circulation of our Bank, though now as low as it has been at any time for the last two years, is yet only about one-fourth less than when it was highest. A larger portion of it than usual now circulates out of the State, and the currency of other States forms, at the present time, a smaller portion of our circulating medium than heretofore. Yet, what would our situation have been, if our State Bank, like many of the banks of other States, had been forced to diminish its circulation to less than one-fourth of what it was previously? If, by losing, perhaps, a third of our currency, much distress has been experienced in the collection of debts, what a pressure would have prevailed if there had been in circulation but one-third of the present amount? However great the evils of a depreciated currency may be, it is better to endure them, for a limited time, than the ruin which must follow the general collection of debts in a medium suddenly made many times more valuable than that in which they were contracted.

Little or no benefit can arise from legislation on these matters unless the public feeling shall approve the policy that may be adopted. Collected, as you are, from all parts of the state, and representing the wishes and welfare of the whole people, it is for you to say whether any measure can be adopted for the interest in general of both debtors and creditors, that shall gradually correct all excesses. As the early resumption of specie payments is now confidently expected, there will be but little danger of over-banking for a time. The other extreme, for the present, is most to be feared. If you find on examination that the State Bank has been prudently managed, it will be a matter of consideration for you to determine whether its operations can be made more beneficial to the State and the people. An early increase of its capital, provision for paying the amount due from the State, and authority, for a limited period, to issue small notes, may, it is believed, materially aid us in passing through the present crisis.

When the banking experiments of the last five years are reviewed hereafter, will the error of those who would bank without capital appear more absurd, than the embarrassments and obstructions created to prevent real capital from performing its legitimate office? The most skilfully conducted banks in the world, are said to be those of Scotland. Frequent settlements with each other and prompt payments of customers, have not required them to abandon the use of one pound notes, or to keep large amounts of specie on hand. It is to be hoped that a similar state of things will exist here, and that the whole means of the bank may be safely and efficiently exercised for the public good. The reckless warfare of the General Government

upon the business and currency of the country, and upon the institutions established by the States will be shortly closed. Whilst such an unpropitious influence was exerted, it was folly to suppose that capital and credit could maintain a useful existence.

In my last annual message, the necessity of a wider diffusion of the benefits of education was alluded to, and steps suggested with a view of accomplishing that desirable object. We have in successful operation among us institutions where the higher branches of education are taught with unsurpassed ability. I may refer to the State University at Bloomington, now it is hoped about to recover from the painful embarrassments which have in a degree impeded its progress; to the excellent institution at Hanover, which has struggled with commendable energy and success in the midst of adversity; to the Wabash College, which has occupied an honored stand among her sisters for the success with which learning and the arts have been cultivated under the auspices of her late accomplished President, whose lamented death will be long and severely felt; and to the Indiana Asbury University, which has recently opened its halls to the votary of science, and where piety, learning and exalted talents, have consecrated their choicest gifts. The efforts of individual and associated enterprise, have established flourishing Seminaries in many of our large towns. But here I must close the picture so radiant with hope and promise. Our State can never attain the proud distinction we fondly anticipate for her, until an efficient system of common school instruction be established. The advantages of the higher institutions of learning are necessarily confined to a favored few. The blessings of the common school are dispensed far and wide, to the obscurest corner of the State, and pervade all the strata which compose the social fabric. They are emphatically the colleges of the people. The men of the forest and the prairie—our support in peace and defence in war—should be furnished with the means of educating their rising offspring. Let the school-house be planted by the road side, and the love of its precepts, imbibed among the dreams of youth, will survive the cherished wishes of manhood. The church of the living God will soon follow. The beneficent effect of that wise policy will be seen in the virtue and intelligence of the people—in their enlightened attachment to their country, and to the free institutions which bless and exalt it. If such means of improvement were at work every where in the Union, the days of the Republic would not soon be numbered. Her course would be onward and upward, and it would be as idle a presumption to attempt to arrest it, as it would be to aspire to chain the tides or imprison the winds of heaven.

I cherish the anxious expectation that this subject will occupy a leading place in your deliberations. I think, in addition to the recommendation contained in my last annual communication, that the appointment of a Superintendent of Common Schools would be attended with beneficial results.

It affords me pleasure to comply with the request of the citizens of the city and county of Washington and the county of Alexandria,

by presenting to you a copy of the address of their delegates in convention assembled, to the people of the United States and to their several legislatures. No adequate motive can be assigned for the extraordinary legislation, which forms the ground of complaint, other than the fixed determination of the majority in Congress to punish the frank and unreserved expression of opinion on the part of the people of the district. This insufferable breach of justice and good faith perpetrated by the selected guardians of the nation's honor and the people's constitution, should create a sensation reaching to the remotest limits of our wide spread country. It is in keeping with the conduct of those who disfranchised a sovereign state and trampled under foot the right of the people to select their representatives, with a view of carrying into effect the repudiated policy of their chief. With such, right and might are synonymous terms. The withdrawal of the charter of the banks was done professedly to carry out the policy of government in reference to the currency. So wide is the variation, however, between the profession and the practice of the men, who laid their ruthless hands upon those institutions, that it is in vain to seek in that pretext for the motive that led to the destruction of the fiscal agencies deemed necessary in the district, for the protection of commerce and industry. The change in its municipal charter, relative to the elective franchise, in defiance of the wishes of the inhabitants, was an indefensible exercise of power.

It is of incalculable importance to every community that the safeguards and peculiar institutions which it deems necessary to the efficient preservation of the peace, good order, and safety of society should be preserved inviolate. The district, having no representative, Congress should exert a protecting care over her interests, and faithfully reflect her views in relation to her own domestic polity. An enlightened nation will not silently acquiesce in the asserted right of Congress to make experiments upon the district and to tamper with her most precious interests, against the known and expressed will of her people. Referring you to the masterly and eloquent address for detailed information, permit me to submit to you the propriety of adopting such resolutions as the sense of justice and the promptings of sympathy may suggest.

This day closes my public relations with you and the people of Indiana. The condition of the State in many respects, since I have occupied the Executive chair, presents an altered aspect. How far it is to be attributed to any agency of mine, propriety forbids me to speak. After the distorting medium through which we behold the public men and judge of the public measures of the present, shall have passed away, I shall cheerfully await the verdict of my fellow citizens. My undivided attention has been bestowed upon the trust confided to me. Having endeavored to discharge its duties with fearless independence, and with an eye single to the interests and honor of the State, a calm review of my public life awakens no sigh of regret and administers no sting of self-reproach. Your duties are solemn and arduous. May the great Ruler of men and of nations preside over your deliberations and bless your labors.

DAVID WALLACE.

Executive Chamber, December 8, 1840.

INAUGURAL ADDRESS,

DELIVERED TO THE

GENERAL ASSEMBLY,

OF THE

STATE OF INDIANA,

DECEMBER 9, 1840.

INDIANAPOLIS:

OSBORN & CHAMBERLAIN, PRINTERS.

1840.

INAUGURAL ADDRESS.

Gentlemen of the Senate

and House of Representatives:

In assuming the duties of the office with which I have been invested, I find myself required, by considerations of the most imperative character, to state the views I entertain respecting those questions of state policy which are deeply agitating the public mind. A state of things is presented entirely unanticipated in the legislation of the years previous to the last. The system of Internal Improvements adopted four years since, has not prospered as was expected by its friends. It is now prostrated, and the people find themselves laboring under the complicated embarrassments of this disastrous result, and feel and express the most intense anxiety respecting the mode of relief which may be adopted. Acting in accordance with the powers with which we are respectively clothed by the Constitution, it now devolves upon us to consult together, and you to propose such measures for prosecution as will protect the interests and promote the welfare of the people.

The full exposition which my predecessor has given of the affairs of the State up to this time, renders it unnecessary for me to advert to them, further than may be requisite to enable me to state, in an intelligible manner, such suggestions as I may make in the examination of the various questions connected with our future policy.

The question of paramount importance is, what shall be done with our public improvements? The "System," excluding the Wabash and Erie Canal, embraces nine different works. Their aggregate length is 1,159½ miles, of which about one hundred and forty miles are fully completed. The amount expended on the different lines, many portions of which are nearly ready for use, is something over 5,600,000 dollars. To finish the whole, would require, at the present estimates, the additional sum of about fourteen millions of dollars. Operations ceased on the public works in August, 1839, with some exceptions, and most of the contracts have been surrendered to the State, under the act of last session, authorizing that course, and providing for the compensation of contractors by the issue of treasury notes. In addition to this, no provision was made by the last Legislature to pay the interest on the State debt incurred for Internal Improvements.

Such being the situation of our public works, several most important enquiries are presented for your consideration. Shall we undertake the simultaneous prosecution and completion of the whole, or abandon them entirely; or shall we adopt some modified plan of operations

within the means and resources of the State? Their prosecution, as originally contemplated, will not be seriously urged, at this time, by any one at all conversant with our condition, and the extent of our liabilities. Such a course would be the extreme of folly. And, on the other hand, their entire abandonment, with the utter loss of the large sums of money already expended, would scarcely be less ruinous in its consequences to our credit and ultimate prosperity—leaving us to discharge the interest, and finally, the principal, without any prospect of remuneration.

If this were an original question, submitted to the Legislature for the first time, to be adopted or rejected at pleasure, you might, in its rejection, run no risks—create no embarrassments. But adopt what course you may, you are not at liberty to sketch your own plan, and then provide materials suitable to your purpose. Materials illy assorted for any design you may wish to execute, lie before you. Difficulties will impede your progress at every step. It is, at best, a choice of evils, and the question is, which is the least.

Permanent relief can only be obtained by the adoption of those measures which will enable the State to realize the largest amount from the sums already expended, bear the least oppressively on the people, and at the same time sustain her character and credit under all circumstances. To attain this result, I would earnestly recommend a strictly defined modification of the original system, submitting the whole of the works to the most rigid scrutiny, as respects their advantages, the facility of their completion, and their present and future cost. Ample provision should be made to protect the works from injury and decay. At the proper time, let a part of them be taken up and finished, as the ascertained means and resources of the State will enable us. Let those works be selected which can be completed with the least expense, and which will yield the greatest amount of revenue, and be of the most advantage to the State, considered with reference to their extent and actual cost. The terms of this modification ought to be well defined, and based upon principles of the most rigid economy. The work or works to be prosecuted, and the amount of money to be expended, ought to be definitely specified, leaving nothing to the discretion of the Board of Public Works, except the mere details. This will place the whole responsibility upon the immediate representatives of the people, and protect them from the evils of that legislation which indirectly screens the conduct of public officers from the corrective action of the ballot box. By a prudent adherence to these principles, although all the labor and money heretofore expended, cannot be saved from loss, still, much may be done towards rescuing the State from her present condition.

There are many who dread the prosecution of all the works, and to prevent this, they insist upon the utter prostration of the whole. Such a course, it strikes me, is exactly calculated to fasten upon us the very evils so much deprecated. As the times now are, it would not be difficult to prevent their further progress. But when a change shall come for the better, the same combination of different interests

which led to their commencement, will produce the renewal of their prosecution. And if the system, in its present extent, could not command force enough to put it again in progress, its friends, rather than abandon it altogether, would unhesitatingly add other works, and thus it might be brought back upon us in a more oppressive form than at first. The question is now submitted to the good sense of those opposed to the system as projected in 1836, whether it is not the part of prudence, when it is prostrate, to join in settling a plan for its modification and restriction, which will at once put an end to all other questions respecting the manner of its prosecution.

As a measure of relief, the plan of selling out the public works, in their present condition, to companies, has been frequently suggested. The proposition is plausible; but is there even a probability that any body of capitalists can be found, who will take our works on such terms as will render the stock profitable to them, and, at the same time, be safe and advantageous to the State? All who understand the subject, know well, that the value of public improvements does not depend alone upon the amount of tolls which may be collected. The facilities furnished for the transmission of the surplus productions of the country to market, the cheapness of freight, the increase in the value of property, and the additional stimulus to trade and commerce, are some of the important advantages which are secured by judicious improvements. To make them productive in revenue, beyond the common interest of the money expended upon them, would, generally, so much increase the cost of transportation as to defeat one of the primary objects of their construction. A work may be of great advantage to the section of country through which it passes, and yet not yield such an amount, in the collection of tolls, as to induce monied men to invest their capital in such an enterprise. And furthermore, capitalists are becoming cautious in the investment of money in projects of this character. Associated wealth, clothed with corporate privileges, has been strongly denounced within the last few years. Such associations have been held up to the public gaze, as dangerous monopolies, aristocratic in their character, anti-democratic in their tendencies, and calculated to subvert those principles which lie at the foundation of our form of government. The doctrine of vested rights, existing with reference to these institutions, beyond the unlimited control of the Legislature, has been, by many, strongly repudiated. Under such circumstances, men could not easily be found to invest their capital, to the extent proposed, where their operations would bring them in daily contact with the business of the country, and all the details of its trade and commerce.

I do not wish, however, to be understood as objecting to the project itself. It is its practicability as a means of relief, to which I wish to call your attention. After the most careful investigation of its claims, it strikes me most forcibly, that its chief merit consists in its plausibility. There can be no objection to it, if its adoption can be secured on safe principles. It ought, however, to be remembered, that it would place all our avenues of commerce and trade in the hands of a strong monied

power. These companies would insist upon the exclusive right of way, and such privileges as would secure to them the full enjoyment of that right, and without which their stock might be rendered valueless by the interference of a future Legislature. It is therefore essential that the power should be reserved, of exercising a strict scrutiny over all their operations, and so far controlling them as to prevent the exaction of excessive tolls, and the opening or closing these avenues as whim or interest might dictate. And above all, the most undoubted security should be required, to save the State harmless, to the full extent of the terms agreed upon. Much caution is necessary, lest the result may increase the burdens which are now bearing down so heavily upon us. If responsible companies can be induced to take the works off our hands with proper conditions and restrictions, the State can well afford to grant the most liberal terms of payment.

A delicate question presents itself in examining how the faith of the State was left, during the present year, to the care of her fiscal agents, without the requisite legislative assistance. Year before last, a tax was levied, of thirty cents on each hundred dollars, of the grand assessment, for the payment of the interest on the debt created for Internal Improvements. Last winter the levy was reduced to fifteen cents, although the debt had been greatly enlarged from the previous year. This amount of revenue, including the poll tax, after deducting what is necessary to pay the current expenses of the State government, will fall far short of paying the interest we owe.

Men, looking only to those shifts and expedients calculated to secure present popularity, may risk such a course; but it pays no part of the public debt. Instead of discharging our liabilities gradually, they are suffered to accumulate; for while the taxes are lessened and the interest paid, as it has been this year, that amount of interest, itself drawing interest, is left to be added to the principal, or to the sum to be drawn hereafter from the people by taxation. Every prudent man who owes a debt above his present means, which he intends to pay, regards its liquidation by regular instalments, as preferable to its accumulation at compound interest, whenever it can be avoided.

It is important that the people should distinctly understand the real issue tendered in this question. It is not a matter respecting merely the reduction of taxes. It goes to the question—Shall the faith and character of the state of Indiana be sustained? The Fund Commissioners, in devising the means for the payment of the interest this year, must have done so in the belief that the Legislature would ratify their proceedings, and prevent the recurrence of a similar state of things. Should you follow the example set by your immediate predecessors, it must be regarded as the solemn determination of the State, that she will not pay her debts. To do this, would affix a stain on the character of her citizens that could never be effaced, and would render her name a reproach and a by-word. We must discharge our honest liabilities with the most scrupulous punctuality. To do this, requires of those to whom the destinies of the State are confided, the firmness of men looking not to that popularity which passes away with the occasion in

which it had its origin, but to her true interests and ultimate prosperity, and her disenthralment by those means which will endure the scrutiny of every fair and honorable mind. The State comes to you involved in these difficulties. The people are fully aware of the condition of their affairs. The trusts reposed in you, simply require at your hands, that as honest men, you will do the best that circumstances will permit, consistently with the honor and credit of the State: and to shrink, at this time, from providing the means for meeting her obligations, would be distrusting the honesty and intelligence of the people.

Much individual indebtedness was created during the progress of the works of Internal Improvement. When operations ceased in 1839, and prices fell at the same time, the people were left, in a great measure, without the means of commanding money to pay their debts. Should Providence bless us with fruitful seasons, the industry and economy now exercised, and the caution with which new debts are contracted, will enable them to free themselves of individual embarrassment by the close of the year 1842. Until this shall be the case, it may be found inexpedient to resort to full taxation. While seeking to discharge the interest we owe, by the sound and legitimate mode of drawing on our own resources, our citizens should be favored as much as possible, until the pressure of their own debts shall be removed. If the Legislature can provide the means of meeting the interest on the State debt, for two years, without increasing the rate of taxation beyond the reasonable ability of the people, they will then be in a much better situation to meet all necessary demands upon them; and no one, acquainted with their true character, will deny that they possess the patriotism to do so, for the purpose of sustaining the honor and integrity of the State. Provision should be made by law for supplying any deficiencies which may occur in the revenue, in order that the interest may be paid as it falls due, by resorting to such sources of relief as may occur, or have been suggested by my predecessor as far as they may be found expedient or practicable.

General enactments, granting extensive discretionary powers to public officers, are calculated to defeat the design with which the Legislature was constituted. Looking to the past, I feel it my duty to recommend that every thing respecting the finances and obligations of the State, and the payment of the interest accruing on her debts, should be regulated by law, and not be left hereafter to the discretion or individual responsibility of public agents. Our bonds frequently have been sold on time, and the result is a sufficient admonition, not to part with them under any circumstances, unless they can be disposed of on such terms as will secure the money at the time of their delivery. And in meeting the contracts and liabilities of the State, in endeavoring to carry out any course of policy which may be adopted hereafter, the credit of the State should be established on such a firm basis that no emergency could force us into the disposal of our bonds for less than their par amount.

Your attention is also solicited to the unequal assessments of real estate in the different counties, with a view of providing for their

equalization. Officers not bound to any correspondence with each other, must necessarily make very different estimates of lands which are equal in value. Some alteration of the law is necessary on another ground. The counties which are to reap the advantages to be derived from the public works, ought in justice to be required to sustain an amount of taxation bearing a more equitable proportion to those advantages, than will be found to be the case under the practical operation of the existing law.

The payment of our State debt is looked upon by some as almost impossible. The public works yield but little profit in their unfinished condition, and we cannot expect any permanent relief until we can procure additional means for their prosecution. Under these circumstances, your attention is directed to the distribution of the proceeds of the public lands: not that we should apply to this source as a matter of necessity merely, but of right. Originally, many of the states owned large tracts of wild lands. During the Revolutionary war, each of the States, to a greater or less extent, incurred expenses in its prosecution. For the purposes of adjusting these expenses, and promoting the harmony of the Union, it was strongly recommended by Congress, to the States owning lands, to make liberal cessions of them to the General Government. On the 10th of October, 1780, Congress enacted "that the unappropriated lands which might be ceded to the United States by any particular State, pursuant to the recommendation of Congress of the sixth of September previous, should be disposed of for the common benefit of the whole." And accordingly, several of the States ceded their unappropriated lands for this purpose. Virginia, then owning all the territory now comprised in the States of Ohio, Indiana, Illinois, and Michigan, and the territory of Wisconsin, accompanied its cession with the following condition, which is substantially the same with the terms of all the other cessions, that these lands "shall be considered a *common fund* for the use and benefit of such of the United States as have become, or shall become members of the confederation, or federal alliance of the said States, Virginia inclusive, according to their usual respective proportions, in the general charge and expenditure, *and shall be faithfully and bona-fide disposed of for that purpose and for no other use or purpose whatever.*" Another portion of the public lands lay within Louisiana, purchased from France, and the Floridas, purchased from Spain. From the terms of the several cessions, and the manner in which the lands procured from France and Spain were acquired, and paid for out of the common treasury of the States, in their federate capacity, the whole must be regarded as held in trust by the General Government for their common benefit.

The proceeds of these lands were specially held as a fund to be applied to the payment of the national debt, which was finally discharged in the year 1832. As soon as this was accomplished, a controversy arose immediately as to what disposition should be made of the public domain. It has been proposed to cede parts of it to the States within whose limits they are situated. To this the old States will not readily

consent; and so far as respects the ceded lands, it would be in direct violation of the terms of their cession. In the year 1832, a bill providing for the distribution of the proceeds of the public lands passed both Houses of Congress, but failed to receive the sanction of the President. It provided that the new States of Ohio, Indiana, Illinois, Alabama, Missouri, Mississippi, and Louisiana, should receive twelve-and-a-half per centum on the net proceeds arising from lands sold within those States respectively, after the 31st of December, 1832. This was to be in addition to the five per cent before reserved, making altogether, seventeen and a half per cent. The remaining sum was to be divided among the several States in the ratio of their federal representative population, according to the census of 1830. The twelve-and-a-half per cent. was allowed on account of the constant and rapid increase of the population of those States. This plan of distribution was to be continued in force for five years, except in case of a war, when its operation was to cease.

By the report of Mr. Whitcomb, Commissioner of the General Land Office, laid before the Senate of the United States, in compliance with a resolution calling for information respecting the proportion of the net proceeds of the public lands which each state would have received under the distribution bill of 1832, it appears that the whole amount realized from the time the act would have taken effect, to the 30th of September 1838, was fifty-seven millions two hundred and twenty-seven thousand five hundred and twenty dollars; and that the distributive share of Indiana, including the twelve-and-a-half per cent. would have been two millions six hundred and forty-six thousand seven hundred and forty-four dollars. The average sum annually received by the State would have amounted to five hundred and twenty-nine thousand three hundred and forty-eight dollars.

The reduction and graduation of the price of the public lands, and projects for their cession in some form or other, to a part or all of the states, have been assiduously kept before the people, without even a probability of the adoption of any of them. All this time the lands have been sold off rapidly, and this large sum of money has been appropriated in numerous instances, to objects of at least questionable utility. It has been said that if the public lands are given directly to the states, they will be wasted; and that it is holding them up for purposes of plunder and systematic fraud. If they are held by the General Government for the common benefit of the states, and for no other use or purpose whatever, it certainly is not wrong for those states to ask their appropriation in a manner that must be much more beneficial than any other disposition that can be made of them. Besides, if it were proper, the question might be pressed, whether there is not as much danger of the proceeds being wasted, or misapplied, in the hands of the General Government, as by the states, particularly when so many of them have the strongest incentives, from the pressure of their debts, to be prudent and economical in their application. It has also been objected to the project of distribution, that it will cut off every prospect of graduating or reducing the prices at which the pub-

lic lands shall be sold hereafter. To this it may be answered that there is just as much reason to believe that the states in their eagerness to obtain their respective shares as speedily as possible, will be as much, if not more, disposed to reduce the price of the public lands equally, or by a system of graduation, as under the present plan.

An objection somewhat plausible has been raised that the amount expended for the purchase of Louisiana and the Floridas, and extinguishment of the Indian title, together with the expenses of our land system, has far exceeded the sum derived from the public lands, and therefore there is no propriety in distributing the proceeds until enough has been obtained to cover all these expenditures. This is assuming the false premises that the people of the several states are not the people of the United States. The public domain has been paid for with the money of the people of the states in their national character; and if the General Government was free from debt, (as was the case when the distribution bill passed,) on account of the public lands or otherwise, no sufficient reason can exist why such an objection should be sustained. The fact that the revenue derived from the duties on foreign importations is insufficient to defray the ordinary expenses of the General Government, and the necessity of taking the proceeds of the public lands to supply this deficiency, has been urged as a reason against applying them to any other purpose. This has been produced by the constantly diminishing rate of imposts, under the compromise act of 1833. A tariff of duties sufficient to meet the expenditures of the Government, it is believed by many of the friends of a protective system, if properly adjusted, will afford adequate protection to American manufactures; enable Congress to dispose of the public lands for the benefit of the states, and provide a steady and permanent market for the consumption of our agricultural products.

Schemes for the disposal of the public lands may be devised, promising greater advantages to the state of Indiana; but it is extremely doubtful whether any plan can be brought forward which will be as likely to give general satisfaction as one similar in its general character, to the distribution bill of 1832. At least, it is certainly better while the people of our state are pressed down with the weight of their public debt, that we should avail ourselves of relief in this form, than by grasping at more, as has been done, to lose all.

Mr. Norvell from the committee of the United States Senate, to which was referred Mr. Calhoun's land bill, made a report on the 13th of May 1840, from which the following extract is taken, to exhibit the quantity of unappropriated lands, the proceeds of which may still be made subject, to distribution. "It appears," says the committee, "from a report of the Commissioner of the General Land Office, (see doc. 46, 3d session, 25th Congress,) that the whole quantity in acres of the public domain on the 30th of September 1838, to which the Indian title was not extinguished, amounted to seven hundred and sixty-six millions, in round numbers. There was at the same time, as appears by the same report in the states and territories, three hundred and nineteen millions of acres, to which the Indian title was extin

guished; making the whole public domain in the aggregate at the time, to be ten hundred and eighty-five millions of acres; from which about five millions of acres may be deducted for sales since made, leaving now about ten hundred and eighty millions of acres."

The correctness of this report will not be doubted. The quantity of land sold since it was made in May last, and purchased from the Indians since the 30th of September, 1838, is not sufficient to affect, materially, any calculations based on the above estimated quantities. At the present minimum price, the whole would bring thirteen hundred and fifty millions of dollars. No one, however, can determine with accuracy the average amount per acre, for which they can be sold, nor the probable cost of extinguishing the Indian title. But there can be little doubt that it is a safe estimate, to say that the public domain can be disposed of at the average price of seventy-five cents per acre, and that the whole Indian claims can be obtained at the cost of twenty-five per centum on their value at one dollar and twenty-five cents per acre. The seven hundred and sixty-six millions of Indian lands, at seventy-five cents per acre, would be worth five hundred and seventy-four millions five hundred thousand dollars. Deducting from this amount, twenty-five per centum of the minimum Congress price, making two hundred and thirty-nine millions three hundred and seventy-five thousand dollars as the sum necessary to extinguish the Indian title, leaves the net proceeds at three hundred and thirty-five millions one hundred and twenty-five thousand dollars. Then taking from the three hundred and nineteen millions of acres already acquired, five millions, as the quantity sold since the 30th of September, 1838, there remain three hundred and fourteen millions of acres, which at seventy-five cents per acre, would produce two hundred and thirty five millions five hundred thousand dollars. This amount, added to the preceding estimate, makes the immense sum of five hundred and seventy millions six hundred and twenty-five thousand dollars, which may be divided among the different states.

Assuming the representation of the states in Congress as the basis of distribution, and that under the apportionment which will be made according to the census of 1840, we shall have twelve representatives, (the whole number remaining as now, at two hundred and forty-two, and if not, our delegation will be in a similar proportion to any other number adopted,) it would make our distributive share to be twenty-eight millions two hundred and ninety-five thousand four hundred and fifty-four dollars. This calculation rests on the assumption that the population of the states is to remain the same. But Indiana will continue to increase largely in numbers for many years, far beyond many of the other states, which will entitle her to a much greater sum. After making liberal allowances to cover all deficiencies and reservations, I think we may safely set down the amount which may be derived by this state, at thirty millions of dollars. This sum ought not to be made liable to any deduction on account of the portion of the surplus revenue which we have received, as there can be no valid

objection to its being retained, on the amount to which we would have been entitled, under the distribution bill of 1832.

If a scheme of distribution were once satisfactorily adjusted in such a manner that the state would be enabled to vest this fund so as to apply its proceeds to the payment of her current debts, and pledge it as a security for such debts as it might be found necessary to contract hereafter, for judicious works of improvement, or for other purposes, its amount and stability would place the credit of the state on a permanent foundation, lighten the taxes on the people, and furnish the means for the most liberal provision for the benefit of common schools, and the general promotion of education. It is important to bring this subject before Congress at as early a day as practicable, with instructions to our Senators and Representatives to use their exertions to procure the adoption of some mode of distribution, consistent with the rights of the states, and which will secure to us, as soon as possible, the full advantages of such a system.

The State owes the State Bank, including interest to next July, about \$692,435. It is essential to the business of the country that this debt should be arranged at as early a day as possible, inasmuch as the Bank is restricted in its accommodations to a corresponding amount. The particular connection with Internal Improvements by which this indebtedness was produced, should not be forgotten. The object of the Bank should be the promotion of the agricultural and trading interests, and its issues should be governed by the demands and wants of those interests. But if we connect it too closely with the uncertain fortunes of our public works, its whole business may in the end be controlled by their success, fluctuations, or accidental embarrassments. The Bank has become of vast importance to the people in furnishing the means to purchase and carry off their surplus produce to market. This is one of its most valuable offices, and it should be the aim of the Legislature, as it is the interest of the people, to secure its management with faithfulness and ability. The prospect of a return to the system so long and successfully practised by the General Government, from the days of Washington to the commencement of the present administration, of transacting the financial business of the General Government with the same currency, under safe restrictions, which is used by the people, justifies the expectation that the payment of specie will soon be resumed permanently by all the solvent banking institutions in the country, including our State Bank and Branches.

As the subject of Banks has been a fruitful theme of discussion for a number of years, I trust a few remarks from me, respecting them, will not be deemed inappropriate. Men looking only to their own political aggrandizement, regardless of the public welfare, seize upon every thing wrong in their management, not to correct it, but to hold it up to the community as conclusive evidence that all banking institutions are necessarily corrupt. We hear it said that they are created solely for the benefit of the stockholders, and the inhabitants of the towns and cities where they are situated, whose only object is to spec-

ulate at the expense of the people. Banks exist because they are profitable to the stockholder and the borrower; although they would not be worth a moment's legislation if their benefits extended no further. They are not objectionable simply because every man in the community is not accommodated with loans, if those who borrow throw the money into circulation through the ordinary channels of business and trade. Nevertheless, as far as their means will permit, they should be required to pursue a liberal and enlarged policy, in aiding all the active branches of business which may require assistance. A liberal profit is made on the capital employed; and yet, no man who borrows money, can procure it at as low a rate of interest from any other source. When properly regulated, banks exercise a beneficial influence on labor and enterprise, almost incalculable. When injudiciously or dishonestly conducted, they are powerful instruments of evil to the country, and ultimately, of loss to those who own the stock. They should be watched with a jealous eye, not with a view to their destruction, but for the purpose of restricting them to their appropriate spheres. It is true they are not placed on farms nor in the woods, but in towns, not for their particular benefit, but as the central points of business. Steamboats procure employment because they are profitable to the owners, and the people use them because they find them convenient for transportation. Great loss of life and property is sustained by them, and even associated wealth has ventured to own them. Fortunately, however, for the country, those who manufacture political capital by arraying one interest against another, have not made the discovery that because they navigate our rivers and refuse to run on dry land, therefore they ought to be put down as dangerous monopolies.

A paper currency, readily convertible into specie on demand, is essential to our progressive improvement. In it is laid the foundation of the true credit system, which is our surest protection against the actual monopolies of capitalists. Credit constitutes the capital of the poor man, bestowed upon him as the reward of his enterprise and integrity. With it, he can compete successfully with wealth in all its forms. Without it, labor and property would be brought entirely within the heartless grasp of individual wealth, whose operations can never be brought under the control of legislation. All branches of regular business, whether dependent on wealth or labor, are essential to each other. When one prospers, all prosper. Disturb one, and the others are also affected. True policy requires us to cherish and sustain all these interests, and protect each from the undue encroachments of the rest.

With regard to Common Schools, it is perhaps scarcely necessary for me to say, that I shall always take the deepest interest in their prosperity, and I trust it will be a prominent object of our mutual regard and counsels, that they may be brought within the reach of every family in the state, under the instruction of competent teachers.

The powers with which the Executive of the State is clothed, are limited; but it will afford me the greatest pleasure to co-operate with

the Legislature, in carrying out those principles which recognize a strict impartiality among the diversified interests and claims of the different parts of the State—the maintenance of her rights, and the preservation of her faith, at every hazard—the observance of a prudent economy, and a strict accountability in the administration of every branch of the public service—and the creation or continuance of no public office for selfish ends, but merely as a trust to be faithfully and honestly executed for the common welfare. Whatever is done, where different views of policy may exist, I must hope will be effected in the exercise of a liberal spirit of compromise and forbearance. It is highly desirable, for the advancement of the social and public relations which should ever bind us together as one people, that our zeal and solicitude should be directed to the best provision for the future, instead of recrimination as to the past. And although our prospects are darkened by the adverse circumstances with which we are surrounded, we may console ourselves with the reflection, that in an honest and fearless discharge of duty under every exigency, we may look forward with confidence to the approval of our constituents, and of our own consciences; and above all, with humble trust, to the continued guidance of a beneficent Creator, whose signal providence has so often proved our country's safety and sure defence.

SAMUEL BIGGER.

Indianapolis, December 9, 1840.

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[H. R

DOCUMENTS

ACCOMPANYING THE GOVERNOR'S MESSAGE.

Ordered, that 1500 copies be printed.

DECEMBER, 1840.

REPORT
OF THE
VISITER TO THE STATE PRISON.

OCTOBER 30th, 1840.

BROOKVILLE, INDIANA, }
October 30th, 1840. }

To his Excellency, DAVID WALLACE,
Governor of the State of Indiana:

SIR — A commission from your Excellency, appointing me “Visiter to the State Prison for the year 1840,” dated the 17th, was received on the 19th of August, 1840. For the purpose of performing the duties enjoined upon me by law, I left home upon the 26th of September, and arrived at Jeffersonville on Monday the 28th, and commenced my examination of the condition of the Prison; a report of which you will find below.

The “sources of information” upon which the following statements are founded are, personal inspection of the prison and prisoners, from questions addressed to the Superintendents, citizens of Jeffersonville, and the prisoners themselves.

THE BOOKS OF THE PRISON.

The law requires that a “Journal of the transactions of the Prison” shall be kept by the Superintendent. This provision of the statute seems at present to be wholly disregarded, and so far as I was able to learn, always has been. It occurs to me that a journal of this description is a matter of some importance, so far at least, as a regular record of the copies of sentences delivered with the prisoners is concerned, and consequently this requisition of the law should be enforced.

There is a Day-Book and Ledger in which the accounts of the prison are regularly kept, showing the condition of the establishment — and such, I suppose, as the law contemplates.

The book in which is entered "the name, trade, or occupation, age, size complexion, and a complete description of every prisoner," &c. &c., is regularly kept.

FOOD.

The prisoners are principally fed upon corn-bread and meat, (pork, beef, and mutton, boiled,) and a greater part of the time are supplied with potatoes. The specimens of bread which I had an opportunity of examining, were wholesome and good. Almost all the prisoners of whom I made inquiry, and I questioned many of them, seem well satisfied with the *amount* of provisions allowed them, but complain of the manner in which it is prepared. An occasional change of diet, would not only be very grateful to those unfortunate men, but conducive to their health—and the Superintendent should be especially required to extend this favor to the sick at least, if it should not be considered expedient to extend it to all.

APPAREL.

The prisoners, at the time of my visit, were clothed in shirts and pantaloons, made of a very coarse description of linen, with caps and hats, and a few with shoes. This, I was informed, is the constant summer dress. They are allowed clean clothes once a week. In winter they are furnished with janets pantaloons, and that description of coat denominated round-about, with shoes and stockings.

LABOR.

Such of the prisoners as are able are kept pretty constantly at labor, when the weather will permit. The time appropriated to labor, I was informed, is from sun-up until sun-set, allowing an hour to each meal.

There are in the prison one hundred and two persons; out of this number Mr. Patterson has under his charge fifty-eight men and one woman—and Mr. Hensley forty-three men. Mr. Patterson informed me that amongst his hands there were two Wagon-Makers, nine Coopers, four Blacksmiths, five Carpenters, one Painter, and five Tailors—the most of whom are worked inside of the walls in comfortable shops—the balance are kept in companies outside of the walls, at chopping wood, driving teams, brick-making, and many other descriptions of labor.

Mr. Hensley has one Tailor, one Blacksmith, four Carpenters, and one Bricklayer; the balance of his hands are principally engaged in brick-making. None of these men complained of being worked too hard. I was told by many of them that it was usual to have certain tasks allotted them as a day's work, and for all which they did over and above this they received pay—but that they were not punished for a failure to perform these tasks. They are usually compelled to labor several hours on the Sabbath.

PUNISHMENT.

The usual punishment is whipping with a cowhide. Several of the prisoners complain of having been unjustly and unmercifully flogged, within the present year; but I am inclined to the opinion that those who have been whipped deserved *some kind* of punishment, with probably one exception. It is however, a very difficult matter to ascertain whether the punishment inflicted is proportionate to the offence—for those who complain of having been unjustly punished, were it seems whipped by one of the Superintendents, secretly, whose statement upon oath, I supposed I had no right to require, and the affidavit of the criminal himself, would scarcely be entitled to credit even in a matter where he was entirely disinterested.

There are certainly many other modes of Punishment which might be substituted for *whipping*, with results equally as good, and which would save the disgrace both of inflicting and receiving the lash. One or two of the prisoners, for insubordination, have been shot—a mode of punishment, which, to those possessing the ordinary feelings of men, must be far preferable to whipping, the usual mode of punishment.

CARE OF THE SICK.

There were some three or four of the convicts sick, whom I found lodged in the prison kitchens; the most suitable apartments about the establishment for such a purpose; but which, to me, were very uncomfortable and almost intolerable on account of smoke with which they were constantly filled, to say nothing of other odors, the natural emanations of the kitchen. I made inquiry of those upon the sick-list as to their treatment, and was informed by each, that they were as well treated as the nature of circumstances would admit of; and that Mr. Hensley, whose hands they were, treated them as a father—and furnished them many articles of diet, not used in the prison, and which are so necessary to the sick. Messrs. Hensley and Patterson have an intelligent physician employed by the year, to administer to the sick of the prison.

There was one man whose name, I believe, is Kelly, complained of having been severely whipped for failing to work when he was not able, in consequence of an attack of Intermittent fever; and from what I learned from his physician, I have reason to believe that his complaints are well founded; and that he was unjustly punished.

CLEANLINESS.

Cleanliness is as well observed as can reasonably be expected, under the circumstances, so far as the persons and apparel of the convicts are concerned:—but the yard or grounds within the walls, is incumbered with many descriptions of dirt and rubbish, which should be removed, both on the account of comfort and health of the inmates.

BEDDING.

The prisoners are furnished with linen bed-ticks, which they are allowed to fill with straw, or sleep upon them empty, at their own option. Their bed-clothing consists of blankets and fragments of blankets, which from their color, acquired by age and use, it is difficult to tell whether they are clean or otherwise—but I was told by some one that they are seldom or never washed—and by others that they were occasionally.

LODGING.

The convicts are usually lodged two in a cell. About half of these cells are seven and a half feet long, four wide and eight and a half high—the balance are eight feet long, four wide and nine feet high. I was told by Messrs. Hensley and Patterson both, that they were lodged, two in a cell at night, because there was not room for them separately in the cells of the new building, and that the old apartments were so badly ventilated, that their health and lives were endangered by being confined in them; of the truth of which I have no doubt, and which will render the alteration of these or the erection of new ones absolutely necessary. It seems that the mortality amongst the prisoners previous to the erection of the new building, was much greater than at present—and goes far to extenuate the breach of the law in this particular.

BIBLES.

The law requiring each of the prisoners to be furnished with a bible, has not been strictly complied with, and consequently many of them are destitute of this Book. The reason given for the neglect, is that they sell or destroy them, and it is therefore considered an unnecessary expense.

The cells are so dark, one half of them, that it is utterly impossible to read in them, and the balance are but little better—and there are but few opportunities afforded them to read out of the cells. I was told that Bibles should hereafter be furnished to every individual confined in the Prison.

PREACHING AND RELIGIOUS INSTRUCTION.

All orthodox ministers of the gospel who request it, are allowed to preach to the prisoners on the Sabbath—but it is very seldom that such a request is made. And all who desire it, have facilities afforded them on the Sabbath, to “teach the prisoners to read, instruct them in a knowledge of the Scriptures, and for the distribution of religious tracts among them”—but there are but few who avail themselves of the privilege.

THE PRIVILEGE OF SPEAKING TO EACH OTHER.

From the fact that these individuals are confined at night two in a cell, and worked in companies during the day out side of the walls, it will readily be seen, that they have every opportunity afforded them which they could desire, to "speak to each other" both during the day and night.

Having given a brief statement of such information as I have been able to collect upon the various subjects connected with the management of the State Prison, I will avail myself of this opportunity to make a few suggestions in relation to the future management of this establishment.

It is my opinion that the present plan, of farming out the prison to the highest bidder, and the law upon which it is founded, might be changed and some other substituted, with the happiest results both to the prisoners themselves, and ultimately to society, of which they are to become members.

If the prison, instead of being farmed out to the individual who will pay the State the greatest amount of money annually for the use of it, was placed under the control of a State agent, with a liberal salary to be paid out of the State Treasury, he could have no selfish considerations to influence his conduct towards the unfortunate individuals under his care, as is the case under the present system.

The whole expenses of the prison are borne by the contractors, who pay in addition some thousands to the State, and consequently have inducements, which are difficult for most men to resist, to *over* work, as well as scantily feed and clothe the convicts. The State would certainly not be the looser by placing it in the hands of her own agents, if care be taken to select proper individuals for such a situation, for the prisoners when well fed, clothed, and treated as rational beings, will certainly do as much or more labor, than they would under an opposite plan of treatment.

I do not, however, wish to be understood as *particularly* implicating Messrs. Hensley and Patterson, but intend these remarks to apply generally; and as all men are more or less selfish, it would seem to be the wisest policy to make it the *interest* of the Superintendent to treat the prisoners well, rather than his interest to mal-treat them.

The time for which the prison was farmed to Messrs. Hensley and Patterson will expire on the 13th of June next (1841,) and now is the proper time to make such alterations as the Legislature in their wisdom shall think right and necessary.

The present practice of working the prisoners outside of the walls is fraught with several evils—among which may be enumerated the frequent escapes of the Prisoners, and the opportunities afforded them whilst thus employed to have uninterroppnd communication with each other—two evils, which, in their ultimate results upon society, are likely to produce far worse consequences than to have suffered them to go at liberty instead of placing them in *this* prison, which to

say the least of it, is rather calculated to teach men vice than virtue. All men partake more or less of the habits of their associates, and those in *our* penitentiary are still more likely to than other men, cut off as they are, from *all* moral and religious instruction—having no advice, no associates but felons, and no means of gaining information, except from men who know nothing but evil. All men of ordinary capacity (and most of these men possess considerable cunning) are constantly acquiring information of some description—it is plain to see therefore, that, when deprived of all other sources of knowledge, (as our convicts are,) except that one which teaches them crime, what the consequences will be.

“The true and only real object of punishment is the prevention of crime,” which can never be effected whilst we have a system of punishment, which instead of improving the morals of the prisoners, has a direct tendency to corrupt them. Society has undoubtedly a right to punish offenders against the laws, but certainly have no right in so doing, “to endanger the health, intellect or remaining principles of any,” even the most abandoned—but on the contrary should do all that can possibly be done to improve them.

A great number of our prisoners escape, who are never retaken, principally in consequence of being kept outside of the prison. I was told that three had escaped during the present year (1840) who have not been retaken—and many others have escaped who have been reclaimed. From these considerations it does seem to me that they should never be allowed to go outside of the prison walls, but should be kept at work inside, where they should be strictly watched and never suffered to speak to each other—which would both prevent escapes and the corruption of morals which must be the result of unrestricted intercourse with each other. At night they should be placed in solitary confinement.

There should be erected within the walls, a building two stories high, of sufficient size, one story to be used as a chapel and school room, and the other appropriated to the use of the sick. Such a building is of the utmost importance to the proper regulation of the prison, and deserves the serious consideration of the Legislature.

Every intelligent and philanthropic citizen who will acquaint himself with the condition of the unfortunate inmates of the prison, so far as provisions for the sick and the means of religious instruction are concerned, will, I apprehend, acknowledge that the institution under the present arrangement is a reproach to the state.

There should be a regular chaplain to the prison, whose duty it should be to preach to the prisoners once, twice, or oftener each week, and otherwise instruct them as he may think best. To render the labors of a chaplain available, however, it is important that a chapel should be erected, for there is no room about the prison suitable to preach in.

It will be necessary also to alter the old cells so as to allow a freer circulation of air through them; or to erect new ones, there being more prisoners than suitable cells in which to confine them.

There is one other regulation which strikes me as of some importance, which I will name; i. e. That the superintendent, be required faithfully to preserve the clothes which the prisoners bring with them, or to furnish them at the time of their discharge with a new suit. The universal practice of the prisoners now is to sell their clothes to their fellow prisoners, who are discharged, and spend the money for tobacco, &c., &c., so that each one at his exit from the prison is bound to spend the last cent of money allowed him by law to procure a suit of clothes—and is consequently left destitute of the means of support, necessary to enable him to reach his friends—and as there is much difficulty in a discharged convict obtaining employment or even the sympathies of mankind, they are liable to suffer for provisions, and consequently tempted to procure them by unlawful means.

RUFUS HAYMOND.

REPORT
OF THE
SELECTING COMMISSIONERS
TO THE GOVERNOR.

INDIANAPOLIS, 12th AUGUST, 1840.

To his Excellency, DAVID WALLACE;

SIR—Under the act of the General Assembly, approved 24th February, 1840, it has been made the duty of the undersigned to examine and ascertain the particular lands to which the state is yet entitled on the Wabash and Erie Canal East of the Tippecanoe River, under the provisions of an act of Congress of the 2d of March, 1827. Having spent the necessary time in a personal examination of the lands in the vicinity of the Canal acquired by the late treaties, we have now the honor of submitting to your Excellency the results, with a report of the selections made; to the end that the same may be communicated to the Secretary of the Treasury of the United States, as contemplated by the law under which we act.

Previous to entering upon this examination we procured from the Surveyor General's office at Cincinnati, authenticated copies of the Township maps embracing the lands from which selections were to be made. By these we were enabled to base our computations and selections upon official data.

In the correspondence had in 1829 between the authorities of the state, and the Commissioner of the General Land Office, in relation to this grant, it appears that the particular tiers of sections which should fall to the state, were at that time designated and set apart by the Commissioner of the Land Office, whose right it was, by the terms of the grant, to determine this question. The principle upon which the division of sections should be made along the outside boundaries of the ten mile strip, was likewise settled at the former selection, so that it was only necessary to extend the regular alternate tiers as determined in 1829, into the late purchase as far as the boundary lines of the Canal donation, and the particular sections belonging to the state were

at once designated. We herewith enclose a map of the several districts lately acquired of the Miami Indians, on which the canal line, the outside boundaries of the ten mile strip, and the regular alternate tiers of sections belonging to the State for Canal purposes, are represented.

The Canal Lands in the regular alternate tiers, not covered by Indian Grants, are colored on the map with orange color. These lands, amounting to 61,741.00 acres, have been classed and rated, and will be offered at public sale on the first Monday in October next, as required by the laws of the state. The tract-books, with minute descriptions, are in the Canal Land Office, copies of which can be furnished to the Commissioner of the General Land office, if the designation of the particular sections on the map is not deemed sufficient for the purposes of that office.

By reference to the map before referred to, it will be seen that the state has been deprived of the most valuable portion of her alternate tiers, by the numerous grants made in the late treaties, to the chiefs and other individual Indians. These grants were allowed by the General Government for the purpose of obtaining the signatures of the chiefs to the treaties, and are therefore to be viewed as a part of the consideration paid to the Indians for the advantages secured to the United States by said treaties. The lands so granted to the chiefs, virtually as a part of the consideration from the United States, so far as they lie in the Canal tiers of sections, had previously become the property of the state, by her compact with the United States, and by the action of the Commissioner of the General Land Office in 1829, under that compact, setting apart for the state these particular tiers of sections. The property of the state in these lands was subject of course to the then existing right of the Miami nation of Indians, which right has heretofore been recognised by the United States only as the right of occupancy for the time being, or until a treaty could be effected. It is believed to have been the understanding between the parties in all former negotiations, in reference to the canal donation that upon the extinguishment of the Indian title (national), the whole of the Canal tiers would fall to the state. Under these circumstances the right of the state, either to the identical lands contained in the Indian grants, or else to select from other lands belonging to the United States a full equivalent, cannot be questioned.

In selecting this equivalent it is necessary to take into view the relative value of the sections granted to the chief and others, when compared with the lands of the United States from which the equivalent is to be taken. Accordingly the undersigned have personally examined the several sections so granted, as well as the vacant lands of the Government in the vicinity, and have placed upon each lot its fair relative valuation. The average valuation of the lands in the canal tiers, of which the state is deprived by the grants in the treaties, is about \$8.25 per acre. The back lands from which the equivalent must be taken, are estimated at prices which average about \$3.75 per acre; the prices in each case being fixed with reference to cash payments. When it is considered that the grants made to the Indians are located

only in choice situations adjoining the Canal and River, and are so run out by direction of the grantee as to embrace nearly the whole of the rich bottom lands of the Wabash, with the springs of water, and the valuable water power at the falls of the Wabash and the falls of Pipe Creek; that one of the sections lies adjoining the town of Logansport, and another adjoining the town of Peru, on which a part of that town must be built; while on the other hand the United States' lands in the vicinity lie generally on the upland, and are situated back of the Indian grants; and without advantages such as have been enumerated; the difference in the valuation it is presumed, will not be deemed too great. It is expected however that the authorities of the United States, before they confirm the selections, will test the fairness of our valuations. by such examinations as they may think proper to order.

The exact quantity of land in the Canal tiers of which the state has been deprived by the Indian grants has been carefully calculated from the boundaries and distances given by the public surveys and marked on the maps furnished us. The quantity embraced in each grant has thus been ascertained as accurately as is practicable without a re-survey of the river fractions. The total quantity is 24,290.14 acres which has been valued by the undersigned at the aggregate sum of \$202,458.00. The accompanying abstract marked A exhibits in detail the content taken out of the Canal tiers by each Indian grant, with the estimated value thereof per acre.

As an equivalent to the state for the lands thus taken from her and patented to the Indian chiefs according to the obligations of the treaties, the undersigned have selected other lands belonging to the United States to the amount of 69,883.47 acres which, from a careful examination, they have valued at the corresponding sum of \$202,458.00.

The accompanying abstract marked B exhibits each lot embraced in this selection, designated by its proper description, and with its content and valuation.

Under the construction given to the act of Congress of the 2d of March, 1827, by the Attorney General of the United States we are aware that the state's title to the selected lands will not be complete, so as to enable her to dispose of them, until confirmed by a law of Congress, as in the case of the equivalent selected in 1830, in lieu of the Indian grants and lands sold in the district then brought into market. It is however of great consequence to the state that the Secretary of the Treasury should withhold from sale the lands now selected as designated in abstract B until the action of Congress can be had. That Congress will confirm the state in her title to these selections, should she finally accept of that alternative instead of the identical lands included in the grants, there can be no doubt; inasmuch as such an act would be viewed as necessary, according to the construction of the Attorney General, to the enjoyment of a pre-existing right vested in the state by the act of 2d March, 1827.

All which is respectfully submitted.

(Signed)

J. L. WILLIAMS,

DAVID HILLIS,

J. VIGUS.

} Commissioners.

A
ESTIMATE of Indian Grants in Canal Tiers.

NO. GRANT.	NAME OF GRANTEE.	LOCATION OF EACH GRANT.	CONTENT OF EACH GRANT IN ACRES.	NUMBER OF ACRES IN CANAL TIER.	ESTIMATED		TOTAL ESTIMATED VALUE.
					VALUE PER ACRE.	VALUE.	
2	J. B. Richardville,	Opposite Logansport,	1,280	625.48	\$30	\$18,761.40	
3	F. Godfroy,	Adjoining on the South,	320	287	12	3,441.00	
4	Same,	2 miles above Logansport,	320	293.06	15	4,395.90	
5	R. Hackley,	Adjoining on the South,	160	133.08	7	931.56	
6	P. Longlois,	4 miles above Logansport,	640	582.70	12	6,992.40	
7	Loon,	Next below mouth Pipe Creek,	640	30.38	9	273.12	
8	Osandear,	Adjoining on the South,	640	50	9	450.00	
9	Duck,	6 miles above Logansport,	640	610	9	5,760.00	
10	Wappapeshee,	Adjoining on the South,	640	640	7	4,480.00	
11	Peter Gouin,	Adjoining on the South,	320	320	5	1,600.00	
12	F. Godfroy,	Peru, North of Wabash River,	640	501.40	20	10,028.00	
13	J. B. Richardville,	Opposite mouth Mississiniwa,	640	578.38	12	6,940.56	
14	Same,	2 miles above on same side,	160	156.73	10	1,567.30	
15	F. Godfroy,	Adjoining on the West,	320	255.59	10	2,555.90	
1	J. B. Richardville,	At mouth of Pipe Creek,	1,280	987.15	15	14,807.25	
3	Maiszequah,	2½ miles above on Wabash,	640	507.42	6	3,044.52	
4	J. B. Richardville,	Adjoining on the South,	640	309.33	5	1,546.65	
5	Same,	At and below mth. Mississiniwa,	1,280	635.80	10	6,358.00	
6	Same,	Adjoining on the South,	640	522.50	12	6,270.00	
7	F. Godfroy,	Opposite Peru, on Wabash River,	640	311.98	10	3,119.80	
8	Same,	Adjoining on the West,	640	425.50	11	4,680.50	
9	Same,	At and above mouth Mississiniwa,	2,560	1,030	10	10,300.00	

A.—CONTINUED.

NO. GRANT.	NAME OF GRANTEE.	LOCATION OF EACH GRANT.	CONTENT OF EACH GRANT IN ACRES.	NUMBER OF ACRES IN CANAL TIER.	ESTIMATED VALUE PER ACRE.	TOTAL ESTIMATED VALUE.
10	Ozandeah,	Adjoining same on South,	640	402.41	\$8	\$3,219.28
11	Poqua Godfroy,	7 m. above mth. Miss'a on Wab.	640	640	8	5,120.00
13	Mechanequa,	3 m. below and op. Wab. Town,	960	360	7	2,520.00
14	J. B. Richardville,	Mouth of Salamanie,	1,920	961.24	9	8,651.16
15	Katamongqua,	Adjoining on the West,	320	85	6	510.12
17	Towwahkeeshee,	1 m. above and opst. Wab. Town,	640	640	8	5,120.00
19	Keekilasheweah,	Up Treaty Cr. & $\frac{1}{2}$ m. S.E. Wab. T.	320	320	6	1,920.00
20	Maiskilgounmizah,	Treaty Cr. 5 m. S. E. Wab. Town,	640	137.66	5	688.30
21	Allolah,	Adjoining on the North,	640	77.19	5	385.95
23	F. Godfroy,	1 m. below and opst. Wab. Town,	640	640	5	3,200.00
24	Wife of Benjamin, Ozasinquaah & Deaf	3 m. above mth. Miss'a near Wab.	640	377.36	6	2,264.16
25	man's daughter,	7 m. up Mississiniwa South side,	640	55.63	9	500.67
27	Wappapinsha,	3 m. up Mississiniwa South side,	640	70.36	5	351.80
28	Tahkonong,	Adjoining same East,	640	463.27	6	2,779.62
29	Lablonde,	1 m. below mouth Little Pipe Cr.	640	298.50	5	1,492.50
31	Mechanequa,	On Salamanie 7 m. S. E. of Lagro,	640	140.80	5	704.00
32	Peter Gouin,	4 m. below Huntington,	640	479.78	6	2,878.68
34	Duck,	6 miles below Huntington,	640	539.10	7	3,773.70
39	White Raccoon,	8 m. S. W. of Fort Wayne,	640	160	4.50	720.00
40	Lafontaine,	Adjoining on S. W.	640	107	5	535.00
41	Seek,	Adjoining on West,	640	356	5	1,780.00
42	Neewahlingquaah,	7 m. South of Raccoon Village,	640	119.13	4.50	536.08

43	White Loon,	5 m. S. of Rac. Vil. on Longlois cr.	640	320	\$5	1,600.00
45	Topeah,	Adjoining 39 on the West,	640	570.76	5	2,853.80
46	Wappasepah,	Adjoining on West,	640	311	4.50	1,399.50
47	Neahlongquah,	Adjoining on West,	1,280	742.84	4.50	3,342.78
48	Susan,	Adjoining on S. W.	640	542	5	2,710.00
49	Poqua Godfroy,	Adjoining on the South,	320	108.77	5	513.85
50	F. Godfroy,	Adjoining on the South,	320	74.29	5	371.45
51	Chappine,	Adjoining on the South,	640	166.82	4.50	750.69
52	Wappemingqua,	Adjoining on S. W.	640	240	4	960.00
	Catamongqua & An-					
53	geliqua,	Adjoining on S. W.	640	578.75	4	2,315.00
54	Chappine,	At Raccoon Village,	698	267.48	7	1,872.36
55	J. B. Richardville,	2 m. below and opst. Wab. Town.	640	110.28	7	771.96
	J. B. Richardville, 10 sections at forks of Wabash,		6,400	2,983	5	14,915.00
	Part of Canal tier included in Government survey of Sec. 6 & 7, T. 26, r. 3,			20.22	4.50	90.99
	Total,			24,290.14		\$202,458.56

B

LIST of lands selected in lieu of those portions of the Canal tiers of Sections granted by the United States to individual Indians, in the late Treaties with the Miamies.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VAL.	
				ACRES.	H.		Dols.	cts.
Lots 1 & 2 frac. S. of Canal	26	27	4	115	97	10 00	1,159	70
Lots 2 & 3 & w. $\frac{1}{2}$ s. e. qr.	23	—	—	207	35	7 00	1,451	45
“ 1, 2, 3, 4, & 5 & s. $\frac{1}{2}$ s. w. qr.	19	27	5	258	40	10 00	2,584	00
N. $\frac{1}{2}$ n. w. qr. - - -	—	—	—	55	57	5 00	277	85
Lots 1, 2, & 3. - - -	30	—	—	166	00	10 00	1,660	00
“ 1, 2, 3; 4, & 5 - - -	33	27	2	237	55	6 00	1,425	30
“ 1, 2, 3, & 4 - - -	26	—	—	192	02	6 00	1,152	12
The whole of - - -	35	—	—	640	00	6 00	3,840	00
The whole of frac'l - - -	26	27	5	294	50	5 00	1,472	50
Frac. south of Wab. R. - - -	28	—	—	7	60	7 00	53	20
N. $\frac{1}{2}$ frac'l - - -	2	26	2	322	52	4 00	1,290	08
N. $\frac{1}{2}$ frac'l - - -	4	—	—	289	54	4 00	1,158	16
Lot No. 4 & s. e. qr. - - -	—	—	—	226	50	4 00	906	00
Lots 1, 2, 3, & 4 - - -	35	27	3	246	63	4 00	986	52
S. e. qr. - - -	14	26	4	160	00	4 00	640	00
N. e. qr. & e. $\frac{1}{2}$ n. w. qr. - - -	15	—	—	240	00	4 00	960	00
N. $\frac{1}{2}$ & s. e. qr. - - -	9	—	—	480	00	4 00	1,920	00
S. w. qr. - - -	4	—	—	160	00	4 00	640	00
W. $\frac{1}{2}$ - - -	2	—	—	320	00	4 00	1,280	00
Frac. s. of Eel river - - -	24	28	4	212	60	3 00	637	80
N. $\frac{1}{2}$ e. of Eel R. & s. w. qr. - - -	25	—	—	473	40	3 00	1,420	20
S. e. fr. south of Eel river - - -	23	—	—	8	14	3 00	24	42
All s. of Eel river - - -	26	—	—	587	36	3 00	1,762	08
S. e. fr. s. of Eel river - - -	22	—	—	33	94	3 00	101	82
All within 5 m. reserve - - -	27	—	—	357	41	3 00	1,072	23
E. $\frac{1}{2}$ n. e. qr. - - -	35	—	—	80	00	3 00	240	00
W. $\frac{1}{2}$ s. w. qr. - - -	14	27	4	80	00	5 00	400	00
E. $\frac{1}{2}$ s. w. qr. - - -	—	—	—	80	00	4 00	320	00
W. $\frac{1}{2}$ s. e. qr. - - -	—	—	—	80	00	4 00	320	00
Lot No. 1 - - -	—	—	—	35	76	3 00	107	28
N. e. qr. & n. e. qr. s. e. qr. - - -	—	—	—	200	00	4 00	800	00
S. e. qr. - - -	11	—	—	160	00	3 00	480	00
S. w. qr. - - -	11	26	3	160	00	3 00	480	00
N. $\frac{1}{2}$ & s. e. qr. - - -	14	—	—	480	00	3 00	1,440	00
Lots 1 & 2 - - -	9	—	—	95	17	3 00	285	51
Lot 1 - - -	6	—	—	44	96	3 50	157	36
Lot 1 - - -	7	—	—	41	72	3 50	146	02
Lots 2 & 3 - - -	—	—	—	83	47	3 00	250	41
Lots No. 2 & 3 - - -	30	26	4	92	04	3 00	276	00

LIST—Continued.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VALUE.	
				ACRES.	II.		Dolls.	Cents
Lot 1, 2, 3, & 4 frac. - -	4	26	5	207	72	3 50	727	02
Lots 4 & 5 frac. - -	14	—	—	114	94	3 00	344	82
Lot No. 1 frac. - -	19	26	6	25	32	3 50	88	62
Lot No. 4 - -	—	—	—	47	35	3 00	142	05
N. $\frac{1}{2}$ s. w. qr. frac. - -	20	—	—	30	00	3 00	240	00
S. $\frac{1}{2}$ s. w. qr. frac. - -	—	—	—	64	41	3 00	193	23
Lots 1, 2, 3, 4, & w. n. frac. -	29	—	—	220	22	3 00	660	66
S. e. qr. - -	20	—	—	160	00	3 00	480	00
N. e. frac., n. of river - -	32	—	—	18	04	4 00	72	16
Lots 1, 2, & s. w. qr. & n. w. fr.	28	—	—	282	68	3 00	848	04
Lots 2 & 3 - -	27	—	—	126	97	4 00	507	88
Lots 1 & 4' & n. w. q.r. - -	—	—	—	136	97	3 00	410	91
S. w. qr. - -	21	—	—	30	00	3 00	240	00
E. $\frac{1}{2}$ s. e. qr. - -	22	—	—	80	00	3 00	240	00
N. w. fr. - -	35	—	—	20	21	3 00	60	63
Lots 3 & 4 & w. $\frac{1}{2}$ s. w. qr.	23	—	—	158	78	3 00	476	34
Lot No. 1 & s. $\frac{1}{2}$ frac. - -	24	26	5	347	00	3 00	1,041	00
Lot No. 1 - -	25	—	—	52	98	3 00	158	94
Lot No. 6 - -	18	27	8	29	49	4 00	117	96
E. $\frac{1}{2}$ n. e. qr. & lot 4 - -	21	—	—	137	09	4 00	548	36
Lots 2, 8, & 9, & n. w. n. e. -	—	—	—	169	12	3 00	507	36
Lot No. 1 frac. - -	22	—	—	33	49	5 00	167	45
Lots 1 & 2 frac. - -	23	27	6	92	92	3 50	325	22
Lots 1, 2, 3, 4, & s. $\frac{1}{2}$ frac. -	21	—	—	536	74	3 50	1,878	59
Frac. - -	19	—	—	53	70	4 00	214	80
Lot 1 & s. $\frac{1}{2}$ n. w. fr. qr. -	30	—	—	89	03	3 50	311	60
W. $\frac{1}{2}$ n. e. qr. - -	—	—	—	80	00	5 00	400	00
E. $\frac{1}{2}$ n. e. qr. - -	—	—	—	80	00	4 00	320	00
Frac. - -	4	27	7	18	72	5 00	93	60
Frac. - -	9	—	—	596	50	4 00	2,386	00
Frac. - -	7	—	—	115	32	5 00	576	60
Frac. - -	18	—	—	561	36	3 00	1,684	08
W. $\frac{1}{2}$ frac. - -	19	—	—	241	84	4 00	967	36
Lots 1 & 2 frac. - -	23	28	8	96	82	4 00	387	28
N. $\frac{1}{2}$ fr. - -	26	—	—	284	60	4 00	1,138	40
E. $\frac{1}{2}$ s. e. qr. - -	—	—	—	80	00	4 00	320	00
W. $\frac{1}{2}$ s. e. qr. & s. w. fr. qr. -	26	28	2	232	84	3 00	698	52
Lots 1, 2, 3, & 4 frac. - -	33	—	—	191	28	4 00	765	12
S. e. fr. - -	31	—	—	33	13	4 00	132	52
S. frac. - -	17	28	5	4	00	4 00	16	00
Lots 4 and 5 - -	20	—	—	97	88	4 00	391	52
Lots 6, 7, and 8 - -	—	—	—	148	75	3 00	446	25
N. e. qr. and n. $\frac{1}{2}$ n. w. - -	30	—	—	221	93	3 00	665	79
Lots 1 and 2 - -	33	26	6	72	59	4 00	290	36

LIST—Continued.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VALUE.	
				ACRES	H.		Dolls	Cents
Lots 4, 5, 6, 7 & s. $\frac{1}{2}$ s. w. qr. fr.	19	28	5	228	51 3	00	685	53
E. $\frac{1}{2}$ n. e. qr. fr.	-	7	26	4	80	3 00	240	
N. $\frac{1}{2}$ frac.	-	18	20	12	284	65 3 00	853	95
W. $\frac{1}{2}$ and s. e. qr.	-	23	20	11	480	3 50	1,688	
N. $\frac{1}{2}$	-	33			320	3 50	1,120	
N. w. qr.	-	11	28	9	160	4	640	
N. e. qr. and s. w. qr.	-				320	3 50	1,120	
W. $\frac{1}{2}$ n. n. w. qr. frac.	-	14	28	8	80	3	240	
All n. of Wab.	-	21			602	50 3 50	2,108	75
S. w. qr.	-	9	30	13	160	6	960	
N. w. qr. and w. $\frac{1}{2}$ s. w. qr.	-	11			240	6	1,440	
N. e. qr. s. w. qr.	-	6	30	14	307	97 5	1,539	85
S. w. qr. & n. e. and e. $\frac{1}{2}$ n. w. qr	33	31	14	400	3		1,200	
Frac.	-	11	31	15	152	98 4	611	92
N. w. frac. qr.	-	28	31	14	93	85 4	375	40
N. e. frac. qr.	-	9	31	15	97	14 4	388	56
N. w. qr. frac.	-	22	26	7	160	3	480	
Frac.	-	27			528	58 3	1,585	74
E. $\frac{1}{2}$ and n. w. qr. fr.	-	28			480	3	1,440	
Frac.	-	29	29		175	07 3	525	21
S. frac. half	-	20			310	01 3	930	03
S. w. qr.	-	15			160	3	480	
Lot No. 1	-	25	26	3	37	2 3	111	06
Frac.	-	6	26	2	275	33 4	1,101	32
N. w. frac. qr.	-	7			161	49 3	484	47
W. half	-	14	26	4	320	3	960	
S. half	-	13			320	3	960	
N. e. qr.	-	24			160	3	480	
N. e. qr.	-	21	27	7	160	4	640	
N. w. qr.	-				160	3	480	
Lots 1, 2 3, and 4	-	35	27	4	196	26 3 50	686	91
N. e. qr. frac.	-	9	26	5	160	3	480	
Lot 1	-				45	48 3 50	159	18
Lot 1 fr.	-	5	28	11	59	56 3	178	68
Frac., n. of Mis. river	-	24	26	5	6	14 3	18	42
N. w. qr.	-	23	27	4	160	3	480	
S. w. fr. qr.	-	19	26	4	125	33 3	375	99
S. e. fr. qr.	-	30	27	6	160	3	480	
Frac. sec.	-	4	28	11	486	46 3	1,459	38
Frac., s. reserve line	-	11	31	9	217	21 3	651	63
Frac., e. reserve line	-	15			287	94 3	863	82
Fr. e. res. line	-	22			58	31 3	174	93
Frac. sec.	-	30	30	11	332	98 3	998	94
Frac. sec.	-	6	28	11	521	39 3	1,564	17

LIST—Continued.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.	PRICE.	TOTAL VALUE.	
				ACRES H.		Dolls	Cents
N. e. qr. - - -	7			160	3	480	
All - - -	8			640	3	1,920	
W. half - - -	9			120	3	960	
Fr., s. of old boundary line -	35	30	10	587 59	3	1,762	77
Fr. s. e. of old boundary line	26			104 44	3	307	32
N. e. qr. fr. . - -	2	29	10	183 85	3	551	33
S. half - - -				296 09	3	888	27
Frac. within reserve - - -	4			31 25	3	93	75
Lots 1, 2, 3, and 4 frac. - -	23			200 70	3	602	10
Lots 1, 2, and 3 - - -	11			103 35	3	310	05
N. e. qr. and e. half n. w. qr.	2	30	13	*240	5	1,200	
Lots 1 and 2, fr. - - -	26	29	10	75 45	3	226	35
Frac, in reserve - - -	18	30	11	7 36	3	22	08
Frac., in reserve - - -	19			410 07	3	1,230	21
Frac. - - -	2	29	11	44 65	3	133	95
All - - -	14			640	3	1,920	
Frac. - - -	11			320 34	3	961	02
Frac. - - -	9			353 43	3 00	1,060	29
All - - -	21			640	2 50	1,600	
Frac. - - -	7			260 36	3	781	08
Frac. - - -	18			541 36	3	1,624	08
Frac. - - -	19			384 12	2 50	960	30
Frac. - - -	30			395 47	3	1,186	41
Frac. - - -	31			567 52	3	1,702	56
W. half n. e. qr. and e. $\frac{1}{2}$ s. e. qr.	23	26	5	160	3	480	
Lot No. 3 fr. - - -	13			61 20	3	183	60
Lot No. 3. fr. - - -	24			31 70	3	95	10
Lot No. 3. fr. - - -	14			33 67	3	101	01
Lots 1 and 2 frac. - - -	30	26	6	92 48	3	277	14
W. half n. e. qr. and lot 1 -	23	27	4	135 80	3	407	40
S. half fr. - - -	33	28	8	320	3	960	
N. half - - -	35			320	3	960	
E. half - - -	19	27	7	320	3	960	
S. e. qr. of s. e. qr. - - -	35	27	3	40	3	120	
W. half n. w. qr. - - -	15	26	4	80	3	240	
N. half - - -	35	27	5	320	3	960	
E. half - - -	2	26	4	320	3	960	
W. half n. e. qr. - - -	14			80	3	240	
W. half - - -	11			320	3	960	
Frac. - - -	18	27	5	547 20	3	1,641	60
S. half - - -	2	28	10	300 37	3	901	11
N. half, n. of reserve line -	11			315 55	2 50	788	88

*No. of acres not marked on the map of this office.

LIST—Continued.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VALUE.	
				ACRES	H.		Dolls	Cents
N. half and s. w. qr. -	17	28	11	480		3	1,440	
Frac. - - -	3			628	98	2 50	1,572	45
W. half and w. half s. e. qr. fr. -	2			393	40	2 50	983	50
W. half n. e. qr. - - -	11			80		2 50	200	
W. half n. w. qr. - - -	20			80		2 50	200	
E. $\frac{1}{2}$ n. e. qr. and e. $\frac{1}{2}$ s. e. qr. fr. -	19			160		2 50	400	
N. w. qr. of n. w. qr. fr. -	2	29	10	53	11	2 50	132	77
S. half, e. of reserve line -	11	28	10	188	83	2	377	66
N. e. fr., e. of reserve line -	14	28	10	34	31	2	68	62
S. half - - -	35	28	8	320		2	640	
W. half - - -	21	27	8	304	98	2 50	762	45
Lots 2 and 3 - - -	28			111	98	2 50	279	95
Lot No. 2 fr. - - -	22			40	88	2 50	102	20
Lot No. 2 - - -	27			29	27	2 50	73	18
Lots 1, 2, 3, and 4 fr -	14			262	38	2	524	76
S. e. qr - - -	11			160		2	320	
S. half - - -	21	27	7	320		2 50	800	
S. w. qr. fr - - -	22	26	7	160		2 50	400	
N. half - - -	28	27	7	320		2 50	800	
S. half - - -				320		2	640	
Lots 1 and 2 - - -	22	26	7	111	04	2 50	277	60
Lots 3 and 4 fr. - - -	15			113	48	2 50	283	70
Lots 1 and 2 - - -				115	48	2 50	288	70
Lots 1, 2, 3, 4 fr - - -	10			238	08	2 50	595	20
Lots 1, 2, 3, 4 fr - - -	3			246	20	2 50	615	50
W. $\frac{1}{2}$ n. e. qr. n. w. qr & w. $\frac{1}{2}$ s. e. qr -	9			320		2 50	800	
W. half n. w. qr. and s. w. qr -	4			240		2 50	600	
S. half fr. - - -	23	27	6	320		2 50	800	
N. half - - -	26			320		2	640	
W. $\frac{1}{2}$ n. w. qr. and w. $\frac{1}{2}$ s. w. qr. -	28	27	6	160		2	320	
All - - -	33			640		2	1,280	
S. w. qr. - - -	30			119	60	2	239	20
W. half and s. e. qr. fr -	31			399	38	2	798	76
E. half n. e. qr - - -	4	26	6	80		2	160	
N. half fr - - -	28			320		2 50	800	
W. half s. e. qr - - -	22			80		2 50	200	
N. w. qr. and n. half s. w. qr. -	6	27	5	180	21	2 50	450	52
S. e. qr and s. half s. w. qr. -				219	93	2	439	86
Frac. - - -	7			555		2	1,110	
S. half - - -	35			320		2 50	800	
Frac. - - -	33			135	44	2 50	338	60
Lots 1, 2, and 3, and s. $\frac{1}{2}$ s. w. qr -	7	26	5	194	22	2	388	44
S. half s. e. qr - - -				80		2 50	200	00
W. half fr - - -	19			253	92	2 50	634	80

LIST—Continued.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VALUE.	
				ACRES	H.		Dolls	Cents
S. e. qr. - - -				160	2		320	
Lot 2, w. $\frac{1}{2}$ n. e. qr. & e. $\frac{1}{2}$ s. e. qr. fr.	9			205	48	2 50	513	70
W. $\frac{1}{2}$ s. e. qr. - - -				80	2		160	
E. $\frac{1}{2}$ n. e. qr. n. w. qr. & w. $\frac{1}{2}$ s. e. qr.	23			319	99	2 50	799	98
E. $\frac{1}{2}$ s. w. qr. - - -				80	2		160	
Lot 2 & s. w. qr. n. e. qr. -	24			83	04	2 50	207	60
Lot 2 - - -	25			53	85	2	107	70
Lots 1 and 2 fr. - - -	14			85	30	2	179	60
N. w. qr. - - -	35	28	4	160	2		320	
N. w. qr. - - -	14	27	4	160	2 50		400	
S. w. qr. - - -	11			160	2 50		400	
Frac. - - -	6	26	4	406	12	2 50	1,015	30
W. $\frac{1}{2}$ n. e. qr. and n. w. qr. fr.	7			204	76	2	409	52
S. half n. w. qr. fr. - - -	19			62	61	2 50	156	52
N. half n. w. qr. fr. - - -	19	26	4	62	58	2	125	16
N. half and s. e. qr. fr. .	4			379	03	2 50	947	58
S. w. qr. - - -	9			160	2 50		400	
N. e. qr. - - -	11			160	2 50		400	
E. half n. e. qr. - - -	14			80	2 50		200	
N. w. qr. - - -	13			160	2 50		400	
N. e. qr. - - -				160	2		320	
All - - -	2	26	3	640	2 50		1,600	
N. half and s. e. qr. - - -	11			480	2 50		1,200	
S. w. qr. - - -	14			160	2 50		400	
N. e. qr. - - -	23			160	2		320	
W half fr- - -	9			174	81	2 50	437	03
Lot No. 2 - - -	6			44	55	2 50	111	38
Lot No 7 fr. - - -	7			38	62	2 50	96	55
S. w. qr. and w. half s. e. qr.	21			240	2		480	
Lot No. 4. - - -	28			41	53	2	83	06
E. half and s. w. qr. fr. -	7	26	2	481	11	2 50	1,202	78
N. half - - -	9			320	2 50		800	
S. half frac. - - -	2			319	93	2 50	799	82
N. e. qr. - - -	11			160	2		320	
N. w. qr. - - -	24	26	4	160	2 50		400	
S. e. fr. qr. - - -	30	28	5	160	2		320	
N. w. qr. - - -	29			160	2		320	
Lot No. 1. fr. - - -	30	26	4	35	14	2	70	28
S. half of s. w. qr. fr. -	18			62	54	2	125	08
S. e. qr. - - -	33	31	14	160	2		320	
S. w. qr. & w. half s. e. qr. fr.	9	31	15	240	2 50		600	
E. half s. e. qr. - - -				59	77	2	119	54
E. fr. half - - -	18			290	42	2 50	726	05
E. half - - -	20	26	3	320	2 50		800	

LIST—Continued.

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VALUE.	
				ACRES	H.		Dolls	Cents
W. half	-	-	-	320	2		640	
Lot No. 1	-	-	-	41	88	2	83	76
Lots 2, 3, and 4	-	-	-	113	96	2	227	92
S. e. qr. fr.	-	-	7 26	4	160	2	320	
N. e. qr.	-	-	22 26	5	160	2	320	
Lots 1 and 2	-	-	26	107	64	2	215	28
S. e. qr.	-	-	21 26	6	160	2 50	400	
S. w. qr.	-	-	22	160	2	50	400	
N. half	-	-	22 26	6	320	2	640	
N. half fr.	-	-	23	166	80	2	333	60
S. half	-	-	15	320	2		640	
S. half fr.	-	-	10 26	7	277	76	555	52
S. w. qr.	-	-	9	160	2		320	
W. half	-	-	8	320	2		640	
E. half fr.	-	-	6	320	2		640	
N. e. qr. fr.	-	-	7	160	2		320	
W. half	-	-	5	320	2		640	
N. e. qr. and e. half s. w. qr.	-	-	28 27	6	240	2	480	
S. half	-	-	35 28	4	320	2	640	
S. e. qr.	-	-	25	160	2		320	
S. w. qr.	-	-	29 28	5	160	2	320	
S. half n. w. fr. qr.	-	-	30	61	88	2	123	76
N. e. qr., w. of reserve line	-	-	29	54	41	2	108	82
S. e. qr., w. of reserve line	-	-		51	55	2	103	10
Frac.	-	-	4 27	8	614	18 2 50	1,535	45
S. w. fr. qr.	-	-	13	152	70	2 50	381	75
Frac., n. reserve line	-	-	24	14	57	2 50	36	42
W. half, n. of reserve line	-	-	28	194	38	2	388	76
All n. reserve line	-	-	29	596	92	2	1,193	84
Lots 1 and 2	-	-	30 27	7	54	44	2 50	136 10
Frac.	-	-	34	571	14	2 50	1,427	85
All	-	-	33	640	2		1,280	
N. w. fr. qr.	-	-	2 29	10	185	76 2 50	464	40
N. w. qr.	-	-	11 28	11	160	2	320	
N. half	-	-	10	320	2		640	
N. e. qr.	-	-	9	160	2		320	
N. w. fr. qr.	-	-	7	123	64	2 50	309	10
Lot No. 1	-	-	5	59	56	2 50	148	90
All	-	-	27 29	11	640	2	1,280	
N. w. qr.	-	-	23	160	2	50	400	
N. w. qr.	-	-	11 26	2	160	2	320	
Lot No. 4 fr.	-	-	2 28	10	43	06	129	18
N. e. qr. fr.	-	-	31 27	6	160	3	480	
All	-	-	18 26	2	640	2	1,280	

LIST—Continued

DESCRIPTION.	SEC.	TOWN.	RANGE.	CONTENT.		PRICE.	TOTAL VALUE.	
				ACRES	H.		Dolls	Cents
N. half - - -	9			320	00	2 00	640	00
Lots 4, 5, and 6 - -	7	26	3	144	21	2 50	360	52
S. half - - -	15	26	4	320	00	2 00	640	00
N. e. qr. - - -	23			160	00	2 00	320	00
E. half - - -	5	26	7	320	00	2 00	640	00
E. half - - -	4			320	00	2 00	640	00
W. half - - -	3			320	00	2 00	640	00
S. w. fr. qr. - - -	28			118	60	2 50	296	50
Lots 3 and 4 - - -	22			108	60	2 00	217	20
N. e. qr. - - -	13	28	11	160	00	2 25	360	00
Frac. - - -	7	29	12	442	94	2 50	1,107	35
S. half - - -	7	28	12	320	00	2 25	720	00
N. half - - -	18			320	00	2 50	800	00
N. e. qr. - - -	18	29	12	160	00	2 00	320	00
W. half, w. of boundary - -	18			305	75	2 00	611	50
W. half and s. e. qr. - -	12	28	11	480	00	2 00	960	00
N. half - - -	23	31	9	320	00	2 00	640	00
S. half - - -	25	26	1	311	48	2 00	622	96
Total. - - -				6988	347		\$ 202,458	48

Note.—By the Board of Internal Improvement.

The prices in the foregoing list of selections, having been fixed with reference to a *prompt cash payment*, in order to correspond with the principle adopted in valuing the Indian grants, (which the Indian Chiefs generally sell for prompt specie payment,) the Board of Internal Improvement would here state that these lands, before they are offered for sale, will be divided into three classes, according to the laws of the state, and each lot re-valued, so as to conform to the *credit system of payment* allowed by the state. In the future re-valuation of these lands, the increased value, if any, by the improvement of the country, hereafter made will, of course, be taken into the account.

This note is appended to guard settlers and others against the mistake of considering the foregoing prices as the established valuation for the future sale of the several lots.

Indianapolis, Dec. 7, 1840.

No. 234.

IN ASSEMBLY,

March 4, 1840.

REPORT

*Of the select committee on so much of the Governor's
Message as relates to the National Domain.*

Mr. C. E. Clarke, from the select committee to which was referred so much of the Governor's Message as relates to the National Domain, and to which committee has also been referred certain resolutions of the legislature of the State of Vermont, on the same subject,

REPORTS:

That at the late session of this legislature, the same subject was referred to a committee of which the chairman of this was a member, and that on that occasion a report was made which was acted on and resolutions introduced which were adopted in this House; but from want of time was not acted on in the other branch of this legislature; which facts it is presumed will furnish an apology for the similarity, and, to a certain extent, identity of the two reports.

The committee further report, that the public lands of the United States, to which the Indian title has not been extinguished, are estimated at 766 000,000 of acres; 548,000,000 of which lie east, and 218,000,000 west of the Rocky Mountains. That the public lands to which the Indian title has been extinguished, are estimated at 319,536,252 acres: of this amount, 12,690,334 have been given away by Congress to the States of Ohio, Indiana, Illinois, Missouri, Alabama, Mississippi, Louisiana, Michigan, Arkansas, and to the Territories of Florida, Wisconsin, and Iowa; and 77,134,821 were sold, up to the 30th of September, 1838; leaving a balance of 229,711,075 acres now owned by and subject to the immediate disposition of the United States. These lands were derived from three sources: First, vast tracts of unsettled lands owned by certain of the old thirteen States, and embraced within their chartered limits, and which were ceded by those

States to the United States; secondly, the Territory of Louisiana, bought of France; and thirdly, East and West Florida, ceded to us by Spain.

When we reflect that the minimum price at which these lands may be sold is one dollar and a quarter per acre, and their average price and actual value is much more, we can form some estimate of the immense, the vast, the almost incalculable value of the National domain; and when we reflect that it is a subject which may engage the attention of future legislatures for centuries to come, and presents a subject of perhaps more importance than any other, it is thought not amiss to bestow some time and labor, and to pass the whole subject in review.

The mere statement of the mode in which the title to these lands was obtained by the United States of America, is of itself sufficient to demonstrate that they are the common property of the whole United States. Florida and Louisiana were bought with the common money of all the United States; the Indian title was extinguished by the common money of all the people of the United States; the Crown lands were won, in many a hard fought battle, and at the expense of the common blood and common treasure of the people of the old thirteen States.

There is something peculiarly striking in the form of the cession of the public lands by the several States, and perfectly evincive of the intention of the grantors. There was also a new illustration of that devotion to the cause of liberty, that disinterested patriotism which prompted first to achieve, and then to perpetuate our independence and union.

At the commencement of that glorious revolution, which terminated in the independence of the United States, and when Union of counsel and action was indispensable, New-Jersey and Delaware hesitated, long before they acceded to the articles of confederation, and Maryland absolutely refused to enter the confederacy until those States which owned these empatented crown lands, should surrender them as the common property of all the United States.

The propriety of this course was so manifest that Congress, on the 6th of September, 1780, adopted resolutions calling upon the several States which owned public lands, to cede them to the United States for the common benefit of all. These resolutions were of the most earnest and feeling character, and appealed to the generosity, to the patriotism, to the common sufferings and the common hopes of the future strength and glory of the Republic: And on the 10th day of October thereafter, Congress passed the ever to be remembered resolution, that the unappropriated lands that may be ceded to the United States by any particular State, pursuant to the resolution of the 10th of September, 1780, should be disposed of for the common benefit of the United States.

Stimulated by this appeal, the State of New-York, on the first of March, 1781, ceded a large amount of her public lands to the United States of America; in which act, the cession is alleged to be "*to and*

“for the only use and benefit of such States as are or shall become parties to the Articles of Confederation.”

Just three years afterwards, Virginia ceded all her territory northwest of the Ohio river, upon this express condition, that the territory thus ceded, *“should be considered A COMMON FUND for the use and benefit of such of the United States as had or should thereafter become members of the Confederation, Virginia inclusive; and that benefit should be according to their usual respective proportions in the general charge and expenditure, and should be faithfully and bona fide disposed of for that purpose, AND FOR NO OTHER USE AND PURPOSE WHATEVER.”*

On the 19th of April, 1785, Massachusetts ceded a part of her public lands to the United States, for the like purpose, and with like provisions and restrictions. On the 14th of September, 1786, Connecticut did the like. On the 7th of August, 1787, South-Carolina ceded her public lands to the United States of America, *“for the benefit of the said States.”* On the 25th of February, 1790, North-Carolina, and on the 24th of April, 1802, Georgia ceded her public lands to the United States; in both of which cessions, there is contained the following express reservation and condition, that *“the lands ceded should be considered as A COMMON FUND for the use and benefit of the United States, according to their respective and usual proportion in the general charge and expenditure, AND SHOULD BE FAITHFULLY DISPOSED OF FOR THAT PURPOSE, AND FOR NO OTHER USE OR PURPOSE WHATEVER.”*

The resolutions of Congress above quoted, and the clear and palpable conditions and reservations in the cessions themselves, conclusively show the purposes for which the cessions were made, which were to create a common fund for the use and benefit of the United States of America, *“according to their usual and respective proportions in the general charge and expenditure, and which should be faithfully disposed of for that purpose, and for no other use or purpose whatever.”*

In all these various cessions, except in those of Virginia and New-York, no reference is made to States which might afterwards become members of the confederacy, and in those instances the phraseology is such as fairly to induce the belief that those States in those cessions meant only the old thirteen States.

If any question could possibly arise as to the proper disposition of the funds arising from these lands, or the lands themselves, it would be whether the old thirteen States, by whose common blood and treasure they were won, should receive the whole, or whether the new States should be permitted to participate.

The old thirteen States have never obtruded upon the republic the story of their sufferings; of their cities burned, and their country laid waste by a seven years' war; and hence claimed that the proceeds of these lands should belong exclusively to them; they have been as generous in peace as they were brave in war, and have only claimed that all these lands, or the funds arising from the same, should be a

fund for the common benefit of all the United States; and in the excess of their liberality, they have not always insisted that they should be disposed of for that purpose, "*and for no other use or purpose whatever.*"

And so it has occurred, that while the old thirteen States have never received for their exclusive use an acre, or the avails of an acre of the public land, the new States have received 12,690,338 acres of the choicest of the land, and worth, it is supposed at the most moderate estimate at the time of the gift, \$50,000,000. The gift was free—the old States do not repine; they merely ask that generosity should be requited with justice.

The State of Missouri alone, which at the last census had a population of only 140,455, has received as a sheer gift from the United States, 1,212,426 acres of the public lands. In the full receipt and use and enjoyment of this munificent donation, on the sixteenth of January, 1839, Missouri, by Mr. Harrison, her representative in Congress, introduces and gravely and earnestly maintains the following strange resolutions:

"*Resolved*, That the powers of the Federal Government result from the compact to which the States are parties, limited by the plain sense and intention of the instrument constituting that compact, and are no further valid than they are authorized by the grants enumerated in the compact.

"2d. That State sovereignties are only diminished by powers specifically enumerated in this compact, or by such as are necessary to carry the specified powers into effect.

"3d. That there being no terms or conditions mentioned in the Constitution by which new States, coming into the confederacy, should be bound or restricted, each and every State, whether new or old, as a member of this confederacy, has "the same rights of freedom, sovereignty, and independence, in all respects whatever," as another; and is as completely sovereign, to all intents and purposes, as it was, or would have been, had the Union never been formed, except only so far as it has given certain rights and powers to the General Government, enumerated in the Constitution for specified purposes.

"4th. That the right of exclusive jurisdiction to the utmost limits of State territory is an unqualified and undeniable attribute of sovereignty; and as, by the nature of the reserved rights, and the terms of the Constitution, no one State has a greater portion of reserved rights than another, so no other power whatever has any right to interfere by legislative enactment or otherwise, *with the property, or rights of property which lie within the acknowledged limits of any of the States, since these are subjects of a local character, and appropriate only for local legislation.*

"5th. *Resolved therefore*, As the States of this confederacy, 'in all respects whatever, are equally free, sovereign and independent,' no conditions being imposed or required by the Constitution upon those that might be admitted into the Union; that all restrictions and conditions upon the new States, on their admission, being opposed to

the fundamental principles and analogies of the Government; and not sanctioned by the Constitution, are null and void; and that each new State, upon being admitted into the Union, being "as free, sovereign and independent as the other States, in all respects whatever," was absolved by the act of admission, from all terms, conditions, restrictions, and limitations whatever, whether under deeds of cession, ordinances, or compacts; and become *ipso facto*, THE ABSOLUTE, UNQUALIFIED, AND UNCONTROLLABLE SOVEREIGN OF THE SOIL, LYING WITHIN ITS RESPECTIVE LIMITS AND JURISDICTION."

It is true that these resolutions were not adopted; but that they were gravely proposed by a member of Congress in his place, entertained, endured, commented on, is sufficient to excite alarm and regret.

Missouri, who has been admitted as a member into our Federal Union at her own solicitation, with the full knowledge of the mode in which the public lands were obtained, and the uses to which they were to be devoted, who preparatory to her admission into the Union, adopted this provision in her Constitution, "*that she would in no case interfere with the primary disposition of the soil by the United States in Congress assembled*;" which provision exists as a solemn ordinance and established principle on which new States may be admitted into the Union, Missouri, who has petitioned for, and received as a sheer gift, 1,212,426 acres of this land from the United States, whose citizens hold under the patents of the United States, granted since her admission into the Union, more than half the lands they call their own, now ineffect says, that all these gifts were idle and void; that Missouri is by the very act of becoming a State in this Union, absolved from the obligations of that act, and becomes the owner in fee simple of all the public lands in all her wide extended domain.

The committee deem it a waste of words to attempt a refutation of doctrines so monstrous—so absurd, so flagitious: doctrines at war with the spirit and terms of the cession of the public lands,—at war with the resolutions of Congress when receiving the lands,—at war with the terms upon which, with the exception of Michigan, every new State, Missouri included, was admitted into the Union,—at war with the acts of all these States in petitioning for, and in accepting grants of the same lands to themselves and their citizens,—in short, at war with every principle of honor and honesty.

The error upon which most of this reasoning is founded, is the assumed principle that sovereignty and jurisdiction of necessity embrace ownership.

Unqualified national sovereignty, sole jurisdiction, does not of course include ownership; still less does limited sovereignty and merely concurrent jurisdiction. The United States have sole, exclusive and unlimited jurisdiction and sovereignty over the District of Columbia; but still she does not own the land; the fee simple of the land, the right of soil, remains just as it did previous to the cession of that district to the United States of America. Still more is this so with reference

to the new States; for their sovereignty is qualified, and their jurisdiction is only concurrent with that of the United States.

It was hoped that these resolutions were not the exact sense of the people of Missouri; that they might have been put forth as a feeler, to ascertain how far it was possible to practise upon generosity, forbearance and magnanimity.

The resolutions of the General Assembly of Missouri, in relation to the public lands, passed March 1st, 1839, though they in terms do not sustain the position assumed by their representative in Congress, lead to the same practical result. These resolutions the committee have seen proper to embody in this report.

“RESOLUTIONS

Of the General Assembly of Missouri, in relation to public lands.

“WHEREAS, This General Assembly has seen with surprise, regret and apprehension, the proceedings of several of the Legislatures of the States of this Union in relation to the public lands, and especially so far as those proceedings oppose a reduction of the price of the old lands which have been years in market, and propose a distribution of the money received from the sales of the lands among the several States, and considering these proceedings to be, in their tendency and effect, both injurious and derogatory to the new States, and tending to a virtual infraction of the compacts with the new States, and to an abuse of the trust confided to the General Government for the disposal of the lands, this General Assembly deems it a duty to protest against such proceeding, and to express their opinions thereon, and to communicate them to the Congress of the United States, and to each of the States of the Union.

Therefore,

“*Be it Resolved by the General Assembly of the State of Missouri,* That the Congress of the United States, being, so far as the primary disposal of the soil is concerned, in the place of a local Legislature, is bound to exercise the powers of a primary disposition in a fair, just and equitable manner, so as to accomplish, within a reasonable time the great object of disposing of the lands, and making them available to the States for the great purposes of settlement, cultivation and taxation; and to do this, it is obviously and indispensably necessary to reduce the price of the lands, which have been offered for years, without finding a purchaser at the present minimum price.

“2. *Resolved,* That by the terms of the cession acts, the public lands in the States east of the Mississippi were ceded to the General Government half a century ago, to be disposed of; and by the terms of the treaties with France and Spain, the States formed out of the territory of Louisiana and Florida were to be admitted into the Union upon an equal footing with the old States, and with all the rights of sovereignty appurtenant to them; and that the refusal of the Congress of the United States to graduate the price of the lands according to their quality, and a perseverance in the policy of demanding the same

price for all qualities of land, is a virtual refusal to dispose of them, and is a breach of the cession acts, and by delaying the right of the new States to tax and cultivate the lands within their limits, is denying to them an equality of sovereign rights with other States.

"3. *Resolved*, That by the Constitution of the United States, article 4, section 3, clause 2, Congress is authorized to dispose of the territory and other property of the United States; and by another clause in the Constitution, article 1, section 8, clause 16, is authorized to hold and exercise jurisdiction over lands within the States, only for certain specified, limited and needful purposes; and that to hold bodies of lands, indefinitely in the new States, subject to the exclusive legislation of Congress for all trespasses upon it, with the right of trying the citizens of the States in her own courts for alledged trespasses, is a power nowhere deducible from the Constitution, and clearly incompatible with the two clauses referred to.

"4. *Resolved*, That by the compact between the State of Missouri and the General Government, the said States, in consideration of certain grants of land to be applied to the purposes of education, and also of a per centum on the sales of lands, applicable to Internal Improvement, bound herself not to tax the lands, of the United States within her limits, whether for State, county, township, or any other purpose whatever, until five years after the sale thereof by the United States; which stipulation to refrain from the sovereign right of taxing these lands until after they were sold, contained a clear pledge on the part of Congress to sell them in a reasonable time; and to comply with that pledge given by Congress near twenty years ago, it is indispensably necessary to offer the lands at prices adapted to their value, and at which they will sell, and not to hold them at prices far above their value, and for which they will not sell in ages and centuries.

"5. *Resolved*, That the public lands in the State of Missouri are of different qualities and different values; that they descend through every gradation of quality from the best to the worst, from that which is worth much to that which is worth but little and even nothing at all; and that to demand one uniform price for all these qualities is a perversion of all the principles of right and wrong. is contrary to equity, justice and fair dealing, and cannot be persevered in without taking the character of hostility to the new States.

"6. *Resolved*, That this General Assembly has seen with surprise, the sudden, unexpected and simultaneous movement of several States against the graduation bill; a measure which has been depending at intervals for more than a dozen years, which has been petitioned for repeatedly by the new States, the principles of which have received the sanction of many eminent members of Congress from the old States, and which, until now, never excited the alarms of any new State for the loss of national domain, and which in fact tends to no such loss, but is a measure of sheer justice to the new ones.

"7. *Resolved*, That the distribution of the proceeds of the lands among the several States would have the most injurious and degrading effects upon the new States; that it would tend to make the populous

old States unite together to resist all reductions in the price of the lands, to resist all pre-emption claims, to resist all confirmations of French and Spanish claims, to resist all grants to the new States to put them on an equal footing with Ohio, to which the General Government has granted upwards of one million of acres of land for roads and canals; and would induce them to consider the public lands in the new States as a fund for paying their own debts, and a means of raising money for themselves, and therefore lead them to keep up the price, and to practise every possible act to make them yield the largest amount of money.

“8. *Resolved*, That to carry out of the new States the moneys collected within them for the lands, and to transport that money in masses to the remote and populous States, *would be to eviscerate annually the new States of THEIR gold and silver, and their effective funds* and would be ruinous and destructive to the said new States.

“9. *Resolved*, That the system of dividing out the proceeds of the public lands, must have the effect of creating an insatiable appetite in the old States for that species of the spoils, and preventing necessary appropriations for the defence of the frontiers, and the country generally; and must lead to a debt or taxes, or to the revival of the tariff; and must end in debauching and demoralizing the public mind, tainting the purity of legislation, degrading the States into annuitants of the General Government, and ending in a consolidated government.

“10. *Resolved*, That this General Assembly deprecates all attempts to connect the question of the public lands with party politics, and to make them subservient to political aspiration at the approaching returns of presidential elections; and that they invoke the good faith and justice of Congress to execute with fidelity the *trust reposed in the Federal Legislature by the cession acts*, the Constitution, the treaties with France and Spain, to dispose of these lands, and also to comply with the fair implication resulting from the compacts with the new States to sell them in a reasonable time: what that reasonable time should be, this General Assembly do not undertake to prescribe, but do say, that to effect these sales in a reasonable time, it is indispensable to reduce their prices, and to establish various prices for various qualities of land; that a graduation of price according to the time the land has been in market, is the readiest and cheapest way to accomplish the object, and may come as near the true value as the expensive, dilatory, imperfect and discordant valuations of different men in different districts could ever attain.

“11. *Resolved*, That the enlightened policy of a statesman should see, in the occupation and cultivation of the lands by private owners, the true and perpetual source of strength, wealth, and revenue to the country, infinitely transcending any amount which can be received from their sale; *and that a mere gift of a reasonable quantity to a cultivator would be a wise and beneficial disposal of the land*, looking to a term of years in a mere pecuniary and revenue point of view.

“12. *Resolved*, That a copy of these resolutions be forwarded to each of our Senators and Representatives in Congress, to be laid be-

fore the bodies of which they are members; also that copies be forwarded to each of the Governors of the States of this Union, with a request to lay them before the Legislatures of the States to which they respectively belong."

It would seem from these resolutions, that the State of Missouri is of opinion that it derogates from her rights and is an infraction of her compact with the United States, and an abuse of trust for the United States to ask a fair price for her public lands, or to distribute among the several States the money arising from the sales thereof, and avers that the great object of the United States ought to be to dispose of the lands as speedily as may be in order to make them available to the States for settlement, cultivation and taxation, and insists that the pittance at which these lands are now sold should be still further reduced in order to effect this object; and still further resolves, that it would be ruinous and destructive to the new States, to remove from them the moneys which arise from the sales of the lands, and says that it would annually "eviscerate"—"eviscerate" is the term,—the new States of *their* gold and silver; an operation which, they allege, would be ruinous and destructive to them.

She further alleges that to divide the proceeds of the public lands would be "to demoralize and debauch the public mind, and would create an insatiable thirst and hunger for the" "spoils,"—"spoils" is the term, in the old States, and would degrade the new States into annuitants of the old.

Upon a careful review of these resolutions, the committee can discover in their practical operation nothing materially different from those introduced into Congress by Mr. Harrison. The committee are at a loss to discover how it derogates from the rights of the new States for the United States to sell their own lands at such price as purchasers see proper to give. Ownership implies a right to sell and to fix a price—and who will pretend that \$1.25 per acre is an unreasonable price—for any land which an actual settler would buy or occupy.

Neither can the committee discover what right of the new States is infringed by the distribution of the moneys arising from the sales of the public lands. Most of these lands were ceded to the United States of America upon the express condition that they should be considered a common fund for the use and benefit of the United States of America, "according to their usual and respective proportions in the general charge and expenditure, and be faithfully disposed of for that purpose, and for no other use and purpose whatever. How they should operate as a *fund* at all, if sold at a mere nominal price, and how as a *common fund*, if not to be distributed but always to remain in the State where the lands are sold, is to the committee totally incomprehensible.

The committee cannot, perhaps, duly appreciate that portion of the Missouri resolutions which suggests that the distribution of the avails of the public lands would "create an insatiable appetite in the old States for the 'spoils,' and debauch and demoralize the public mind and taint the purity of legislation;" the State of New-York never having

participated in such spoils, the committee cannot speak from experience.

Missouri having received of these spoils, 1,212,426 acres of these lands, is no doubt better prepared to speak of the debauchery, the demoralizing effect, the tainting the purity of legislation which such spoils create; and whether these resolutions or those introduced into Congress, were the result of the enjoyment of such spoils, the committee do not pretend to determine.

But if the effect be such as represented, the committee are of opinion, that as well out of compassion to the new States as out of justice to the old, the avails of the public lands should be as speedily and equally distributed as may be, so that the whole demoralization, debauchery and tainting, should not be concentrated in the new States. The old States are mainly anxious, next after their own purity of character, to preserve the purity of that of the new States, and are thrice happy to discover that this may be done by receiving again, after a great lapse of time, a small share of the avails of their own land.

The committee are equally at a loss to determine in what sense the new States become annuitants to the government. Whoever buys any of the public land will do so no doubt because he thinks the land he buys is worth as much or more than he pays for it, and if that money be divided amongst the several States, the new States will get their full share.

If, however, these doctrines are to prevail, it may not be amiss to inquire whether they are applicable to other States than Missouri, and to other public property than the public land. If, as the resolutions of Mr. Harrison allege, sovereignty and jurisdiction confer the right of property, and the State, by the very act of its admission into the Union is at once absolved from all its constitutional obligations, and, *ipso facto*, becomes the absolute owner of all the property within its boundaries, all that New York has to do is first to surrender her high honor, her duty to herself and her good faith to the Union, and at once become the owner of all the forts and their armaments within her boundaries belonging to the United States, all the arsenals and their contents, all the light-houses, all the public shipping, all the custom houses and the revenue arising from the customs also; the committee cannot perceive why the same doctrine should not extend as well to personal as real estate. The State of New York is annually "eviscerated," to borrow the word of the Missouri resolutions, of about \$15,000,000 of customs annually collected, greatly to her discomfort; and which might all be saved to the State of New York, if these sentiments of the Missouri resolutions should prevail.

The committee cannot come to the conclusion that the public domain, which is a common fund for the equal benefit of all, should by any contrivance become a particular fund for the benefit of a *part* of the United States of America. The committee cannot advise that the reservations and conditions of the States, made at the time and forming a part of the cession; that the resolutions and solemn ordinances of Congress; that the constitutional provisions and solemn

compacts of the new States with the old, should be all nullified in order that the public lands should belong exclusively to the new States. Good faith in this case, as in all others, is true wisdom. States are not apt to use their public lands prudently; the State of New-York sold more than 1,000,000 acres of her land to speculators for one shilling per acre; these same lands have been bought by the occupants, of the speculators, for from \$3 to \$10 per acre.

Georgia established a lottery, and the whole State gambled for her public lands. If each State could become the owner of all the public lands within her boundaries, it is extremely questionable whether they would turn them to good account. In its anxiety to become populous, and to effect sales, one State would be apt to undersell another till the lands would be reduced to a mere nominal price. In this way the most flattering inducements, the most alluring prospects would be held out to the inhabitants of the old States to emigrate to the new; the effect of which would be most disastrous to the old States; the population of the old States would become stationary for a while, or perhaps diminished, and their land sink in value at home; while to effect this undesirable object, they would give up their claim to the public lands.

The committee are of opinion that the State of New-York is not prepared to make this double sacrifice. Resting on the two extremes of the Nation—dividing the Union in twain, from north to south—the State of New-York, from the great extent of her territory, the fertility of her soil, her unequalled natural advantages and commanding position, gained less and sacrificed more than any other State in acceding to this Union. New-York was the first to surrender her public lands; the first to commence a system of internal improvements. She sought in vain for assistance from the United States. Unaided and alone she has progressed, and looks forward to that which was once her own, and but for her own voluntary act of devotion would still be hers, to aid her in completing her splendid system of internal improvement.

The committee having thus demonstrated the illegality, injustice and impolicy of these strange pretensions of the State of Missouri, are happy, since those pretensions are made, to have them in a tangible form, and, as far as their power extends, to set their seal of condemnation upon them. The facility with which the United States has thus far parted with the public lands, encouraged the people of the west to ask at first for slight donations; at length, that all those lands which had remained a given time in market unsold, should belong to the State in which they were situated; and emboldened by non-resistance, the State of Missouri now claims the whole lands as hers. In this race of cupidity and injustice, the people of the west have been cheered on by some of those high in power, and it now seems to be well understood, that the price of the public lands is fixed, and that the currency in which they are to be paid for, is presidential votes.

The Roman historian pauses in his narrative to comment on the venality of the soldiery and the corruption of the age, when the le-

gions forced upon Rome an Emperor whose only merit consisted in exposing the public granaries to be plundered. It remains to be shown whether the American people will furnish the future historian with a text to which the annals of Roman corruption form no parallel. The plundered granaries were but the labors of a year. Another year of industry would replenish them again. Ages of remorse for yielding to the seducer—the corrupter of public morals—the violator of national faith—will not restore the public lands: for them no year of jubilee will come.

A senator in Congress proposes to give to ten thousand men three hundred and twenty acres of land each, upon condition that they will settle in Florida; equal to 3,200,000 acres of land.

Another senator, not to be outdone in liberality, proposes that the States in which public lands are situated, shall become the agents of the Federal Government, and sell the lands at the halves—a profitable agency this, and not likely to be declined by the States on account of the illiberality of the commission, unless by such States as think, with the representative from Missouri, that the new States, by the act of their admission into the Union, “become the absolute, unqualified and uncontrollable sovereigns of the soil lying within their respective limits and jurisdiction.”

The State of Missouri would no doubt sell the lands, “so that they might become settled and subject of taxation,” and would find good use for her share of the proceeds; but when the Federal Government laid claim to its share, the State of Missouri might perhaps remember her resolutions of the first of March, 1839, and again solemnly resolve that “*to carry out of the new States the moneys collected within them for lands, would be to eviscerate the new States of THEIR gold and silver and effective funds, and prove ruinous and destructive to the new States—besides creating an insatiable appetite in the old States for the spoils, and debauch the public mind and taint the purity of legislation;*” to avoid which disasters, she would no doubt repose herself upon her “reserved rights,” and save herself the humiliation of becoming an annuitant to the Federal Government, from being “*eviscerated*” of her gold and silver and effective funds, and at the same time check that insatiable appetite for spoils in her sister States, and preserve the purity of their legislation, by keeping the remaining half also. Happy condition! Thrice happy Missouri, who can save her honor unsullied—herself from evisceration—her sister States from love of spoils, by the exclusive enjoyment of the spoils herself!!!

To expose this flagitious scheme in bold relief, we will suppose that some ambitious demagogue, some scheming politician, willing to perpetrate any act of official turpitude, for the sake of a short-lived popularity, should propose to Congress that the State of New-York should collect the revenue of the Federal Government at the halves? Such a proposition would, no doubt, strike all, as monstrous; calculated to impoverish the Federal Government, to corrupt the State of New-York, and rob her sister States; and yet the committee cannot discern any difference in principle, and very little in practice, between

farming out the United States revenue at the halves, and selling the national domain at the halves. The national domain and the public revenue are both alike public property, and should both be disposed of upon the same principles of equality and justice.

The military colony, too, would soon grow into a State—10,000 settlers, with a farm of 320 acres each, of the choicest land, with such families as they must of necessity have, would at once amount to the number necessary to constitute a State—located—endowed, they would no doubt, remember with gratitude their patron and founder, and adopt his sentiments.

This State is to spring into existence, armed *cap-a-pie*, like Minerva from the head of Jove, “with hearts resolved, and hands prepared” to adopt and maintain, the sentiments of their patron and founder; and when the war shall be closed, by the extermination of the miserable remnant of Seminoles, they too, having “tasted of the spoils, their appetite may become insatiable,” and they may resolve that all Florida is theirs.

While discussing the various schemes which have been resorted to, to divert the national domain from its legitimate use, the committee take leave to advert to a late report in Congress, the last effort, it is hoped, of the Federal Government, to prevent an equitable distribution of the proceeds of the public lands.

The resolutions on which this report is predicated, were introduced by the same senator who proposes the creation of an armed colony in Florida, and who represents the State which has so solemnly resolved not to be “eviscerated of any of the gold and silver, or other effective funds” which the Federal Government may have within her boundaries. The resolutions profess to inform us, that a certain abstract principle does not exist in our Constitution, viz: that the Federal Government has a right to assume the debts of the States. This idea is elaborated through six long resolutions, in the last of which we discover that the whole of this paper artillery is levelled against an *idea* which none of the United States have ever advanced, and perhaps never entertained, and against a *letter*, alleged to have been written by a “*London banker!!*” To close, therefore, the door, now and forever, against any such abstract idea, and “its vast tide of evils,” it is deemed necessary that the Senate of the United States to “resolve and declare its utter disapprobation of the London Banker’s Circular” in relation to the assumption of State debts!! For the most grave and dignified legislative body in the world to devote its time and mental energy to the demolition of an *idea*, never advanced, and, probably, never entertained, and “to arrest the vast tide of evils which would flow” from the “*Circular of a London Banker*,” seems to be erecting a man of straw to show one’s valor in demolishing it; like Jove brandishing his bolt to demolish a cobweb. It is, however, in excellent keeping with a certain inaugural address, in which a veto was fulminated in advance of a law. The committee would have said nothing of settling in advance the meaning of the Constitution or of the gratuitous war which the Senate of the United States has seen proper to wage with the

"proposition of a London Banker;" if, under cover of the smoke of these resolutions, opinions were not advanced and insinuations made derogatory to the rights and injurious to the character of this State. This extraordinary report, of which 30,000 extra copies were printed, seems to assume the fact that the State of New-York has petitioned, or is desirous that the United States should assume, pay or become surety for her debts! It erroneously alleges that her debt is \$15,500,000, and avers truly that her canals yield a revenue more than sufficient to pay the interest; and covertly insinuates that New-York is desirous to retain the immense revenue of her canals and to throw the burthen of paying for their construction on her sister States, and attempts to excite the jealousy of Connecticut, New-Jersey, Delaware, North Carolina and Georgia; and says that those States would have to pay the chief cost of the New-York improvements, and then toils through eight closely printed pages to demonstrate how unjust, inexpedient and unconstitutional this would be; and finally resolves "that to set apart the public lands or the revenues of the same for the above mentioned purposes would be equally unjust, inexpedient and unconstitutional." It is with unmitigated pain that the committee have seen this extraordinary report; the last effort of the Federal Government to use and consume for its current expenses the great trust estate, or to squander it upon the States where it is located. It has been long predicted that a certain State in this Union would die of an abstraction. The Federal Government, it is to be apprehended, is sick with a disease equally ideal and far more malignant. Who ever, before this report, heard or dreamed that the state of New-York was calling upon the Federal Government to pay her debts? Who constituted the Federal Government censor over her, and gave that government authority to read her a lecture on economy, retrenchment and reform? Where in the catalogue of its moral or political duties does that government find it enjoined upon it to create dissensions and jealousy among these still United States. *Divide et impera*, divide and conquer is not yet, it is hoped, inscribed on the list of executive duties. What other government ever before amused itself in destroying the credit of its children? Let the Federal Government bring to a successful conclusion its never-ending contest with the miserable remnant of an Indian tribe; let it account to an injured people for more than \$25,000,000 expended upon this gratuitous and disastrous war; let it pay up its treasury notes and make over the fourth instalment, wrongfully withheld, and which, on the supposed faith of the Federal Government, New-York loaned in a time of deep pecuniary distress to her citizens, and then it will be in better taste to challenge other governments on the subject of debts improvidently incurred.

The debt of this State is large, but for every dollar of that debt she can show a public improvement worth ten. If that debt, large as it is, were quadrupled, it would be perfectly within the compass of her means. Our merchants, our producers, our laborers of all classes have suffered beyond example, and have born their sufferings with a forbearance and fortitude unparalleled, but the credit of the State of

New-York stands unimpaired; it needs no aid—she asks none. Unaided and alone she has sustained and will maintain her credit and her currency, against the assaults of the Federal Government from without, and from faction within. Her credit and her currency stand firm, like the pyramid in the midst of the desert waste which the bad counsels and improvident legislation of the Federal Government have spread every where around. Her system of internal improvements is upon an enlarged and philanthropic plan; she skulks behind no pretended constitutional scruples to avoid doing her duty; she has ceded to the United States her public lands; she has surrendered the most productive sources of her revenue,—and still, by a rigid system of economy in all things, and a wise system of finance, she has made more public improvements than the Federal Government. Let the Federal Government look to our schools, academies and colleges—our humane institutes for mitigating the distresses of the unfortunate, and correcting the vices of the depraved—let her look to our rail-roads and canals, and blush, that while this State, with diminished means, has done so much, she has effected so little.

In conclusion, the committee are of opinion, that in no way can the public domain be so beneficially used, as in aiding a system of internal improvements—so that every acre of land should be represented in some scientific or charitable institution, or in some internal improvement which shall be as durable as the acre it represents.

In this manner, the committee are of opinion, we shall deal justly by posterity and by ourselves. The committee think it not to be endured, that the government of the United States, which claims economy as one of its inherent virtues—free from debt—at peace with all the world—should not be able to support itself by its own legitimate means.

It once effected this, when the sales of the public lands were small, and when the national debt was large; the debt was paid, the government was supported, and very little indeed drawn from the public lands.

The committee are of opinion, if the old, and wise, and well tried system of disposing of the public lands is abided by—if no encouragement is given to intruders on the public lands—no reward offered for the offence of trespass on the public property—no premiums for violence, and injustice, and violation of positive law, in the shape of pre-emption rights—the public and private virtue would be better encouraged than it now is. That if the proceeds of the public lands were equally distributed among the whole people, according to their share in the general charge and expenditure, the people would at length awake to the immense value of the public land, and would, with more vigilance, and closer scrutiny, examine the subject, and hold every administration responsible, that the public lands should not be lavished upon squatters, overshadowed by speculators, or the avails thereof embezzled by land agents.

RESOLUTIONS.

Resolved, (if the Senate concur,) That the public lands, the national domain, is the common property of all the United States, "and of right constitutes a common fund for their common use and benefit, and ought to be faithfully disposed of for that purpose, and for no other use or purpose whatever."

Resolved, That we protest against the surrender of this common property of all the States to a portion of them, as unjust in the abstract, as in direct violation of the uses and purposes for which it was ceded to, and the conditions on which it was accepted by, the United States.

Resolved, That we protest against the sale of those lands at a price below the present minimum, as a virtual violation of the trust and pledge under which they were received, as wasting the common fund, and by inducing exhausting emigration from, and as diminishing the value of the lands of, the old States.

Resolved, That it is not to be endured, that a government free from debt, and at peace with all the world, should use and consume, for its current expenses, the national domain; that the common resources, from imposts and tonage are abundantly sufficient, when faithfully collected, and prudently and economically applied, for all the legitimate purposes of the common government.

Resolved, That we recommend a separation of the proceeds of the public lands from the general revenue, and an equal distribution thereof amongst the several States, "according to their usual and respective proportions in the general charge and expenditure."

Resolved, That the senators and representatives of New-York in Congress, will conform to the views and wishes, and promote the interests of the people of this State, by acting in accordance with the foregoing resolutions.

Resolved, That the Governor be requested to forward copies of the foregoing report and resolutions to the senators and representatives in Congress from this State, with a request that the same be laid before the Senate and House of Representatives; and also to the Governors of the several States in the Union, with a request to lay the same before their respective Legislatures.

WASHINGTON CITY, September 20, 1840.

To his Excellency the Governor of the State of Indiana:

SIR—The late convention of delegates from various sections of the District of Columbia, including the City of Washington, charged me, as their chairman, with the duty of transmitting to you their remonstrance against the abuses of the power of exclusive legislation over this District, as exercised by the now ruling majority in Congress; and of requesting you officially to communicate this remonstrance to the two branches of your state legislature at their next session, in order that they may take such measures thereon, as, in their wisdom, may be deemed just, under the circumstances stated in the remonstrance.

Considering that the Senators and Representatives of each state in Congress are responsible to their respective constituents for their conduct, in legislating for the District of Columbia, just as necessarily and directly as for their conduct in any other department of legislation; and that upon the state legislatures, as electors of the Senators, has devolved such authority of practical control and direction as is incident to the relations of elector and elected; the convention deemed it no less their duty than their right, to address their remonstrance both to the legislatures and to the people of the several states.

I have therefore the honor to place in your hands this remonstrance, which you will find herewith enclosed; not doubting that the disposal of it, according to the request of the convention, will be compatible equally with the official duties of your station, as with your own inclination,

I am sir, with all respect,

Your ob't servant,

W. JONES.

THE
REMONSTRANCE,

OF THE
CITIZENS OF THE DISTRICT OF COLUMBIA.

The Citizens of the city and county of Washington and the county of Alexandria, in the District of Columbia, by their Delegates in Convention Assembled, to the People of the United States, and their several Legislatures.

FELLOW-CITIZENS: It is on no common occasion that we address you. Our feelings have been outraged, our rights trampled upon, and our interests sacrificed by men acting as your Representatives, and directly responsible to you for all their acts in that character. Deaf to the voice of justice, regardless of the most solemn constitutional injunctions, insensible to the common charities that bind man to man, seeking to promote their party interests, and to gratify their private passions, they have, in the wantonness of an ephemeral power derived from you, dared to treat us as slaves.

From the unrighteous exercise of this power we appeal from them to you, from the servant to his master. Redress is, thank God, yet in your hands. The spirit of tyranny that would crush us has not yet, with success, raised its parricidal arm against you.

Hear, judge, and act upon our unvarnished statement.

With you we are the descendants of men who achieved their liberties against foreign tyrants with their blood: with you we are members of the same glorious confederacy which guarantied these liberties by a Constitution established by the People of the United States, "to form a more perfect union, "establish justice, ensure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty."

With you we bear the same burdens, and enjoy the same rights, subject to the exclusive legislation of Congress. Exclusive of what? Clearly of the States of which the District previously composed a part; State jurisdiction, as such, was displaced, and simply supplied by that

of Congress. It was not intended, it could not be intended, without a monstrous political anomaly disgraceful to the venerable framers of the Constitution, to confer on Congress the sweeping powers of a despot. The powers conferred were indubitably, therefore, limited by the rights universally enjoyed by the whole People of the United States, and more especially by the safeguards and bulwarks provided by the Constitution itself. Within this sphere, Congress, taking the place of the State Legislatures who had ceded their jurisdiction, may rightfully act; beyond it every exercise of power is tyranny.

Under the inviolable safeguard of this broad ægis, had the rights of the People, over whom exclusive jurisdiction was ceded by the States to Congress, been placed, when the District of Columbia was established as the seat of Government, and the city of Washington founded: such were the essential conditions of the compact of cession, necessarily implied and understood by the states who made the cession, by the Congress who accepted it, and by the People of the District who acquiesced in it. All the states and all the people of the states became virtual guaranties to the faithful and just fulfilment of those conditions; and as they retained in their own hands the plenary power and the efficient means of executing their duties as guaranties, through the control reserved directly to themselves alone over their own servants and representatives, to whom they chose to delegate this most important and responsible power of exclusive legislation; so they held that power and those means in sacred trust for the benefit of the people, over whom they sent delegated servants and representatives to exercise the power of legislation. When they bestowed upon the infant city, founded by themselves, the name of the most illustrious of the asserters and defenders of public liberty and independence, they raised a visible monument to his fame and virtues; but it had been no better than an opprobrious insult to both had it been set apart from all the wide limits of the Republic to be desecrated as the chosen seat of despotic and lawless power, or, what is practically the same thing, of unlimited and irresponsible legislation.

Citizens from the several states repaired to it in full confidence that their rights and interests would remain inviolate; nay, more, in the firm belief that those rights and interests would be the last to be invaded which were shielded by the collected wisdom and virtue of the nation. For a long tract of years they had no reason to complain of any disappointment to these golden hopes. They did not acquire wealth, but they were contented. Industry was crowned with its usual reward, the state of things was progressive and promised gradual improvement. Government, it is true, did not do many things which the people expected: but as its members, Executive as well as Legislative, were highminded men, of exalted character, there was little dissatisfaction, and our community formed a common family, over which simplicity, hospitality, and friendship presided.

Above all, a spirit of independence generally prevailed. The great men of that day, and among the foremost, after the Father of his Country, a Jefferson and a Madison, who had earned their eminence by

their virtues and their talents, valued liberty too highly to deny to their fellow-men, and especially to those with whom they were in daily intercourse, its inestimable blessings. They would as soon have invited to their hospitable tables their own slaves as the vassals of a District couching to Executive power and bereft of the proudest attributes of humanity. No: they who have not forgotten these illustrious men—and who that once knew them can forget them?—know that it was their pride and highest gratification to cherish, among all their fellow citizens, a spirit of personal independence.

Such was the political school in which we were educated; in which the right to think for ourselves on all the measures of the Government, and to express those opinions among ourselves and diffuse them among the people, was respected as inherent in freemen, and inculcated as a paramount duty. There was nothing extraordinary in this. It was to be expected that the penman of the Declaration of Independence—which in its commencement declares: “We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain *inalienable rights*; that among these are life, *liberty*, and the pursuit of happiness”—would practically illustrate the sublime precept he had propounded.

Our sons imbibed these sentiments from our lips, which were confirmed by a Monroe and an Adams, in whose hearts the holy fire of the Revolution glowed with undiminished force. They and their legislative coadjutors were the friends of the District. They did not signalize their friendship by favors—it was not expected that they would—but by acts of justice. The District asked no more. Large sums of public money, indeed, have been expended within the District, but the objects on which they have been expended were principally for the accommodation and benefit of the members of the Government and the citizens of the whole Union or of the adjacent States.

Thus far our citizens maintained, without reproach or contumely, their erect political attitude. They felt and acted as freemen—thinking, judging and expressing their opinions as citizens of the United States, on public men, and public measures without rebuke.

But a new era was at hand. The tide of popular feeling raised to the Chief Magistracy a military chieftain. He came into power with no unfriendly feelings towards the District; but falling into the hands of those who, for personal ends, as events showed, had advocated his election, a broad line of discrimination was drawn between our citizens: all were dismissed from office and confidence who did not surrender their judgments to the reigning power, and their places filled, if not exclusively, principally, by men of whose personal merits, either generally or particularly, it becomes us not to speak; but of the notorious policy that dictated the selection of them for places of public trust, we may say that, as, in all instances their indispensable qualification, so, in too many, their sole qualification was a factious zeal for the existing Administration, or a blind and indiscriminate subserviency to the will of its chief. Political intolerance descended to the petty tyranny of social persecution. Every man, however retired his habits or unambi-

tious his views, who did not proclaim his adhesion to this ignoble vassalage, was denounced as an enemy. It is scarcely necessary to add that the inevitable effect of this injustice was to subvert our social harmony, and, from being a united, to make us a divided people. Its further effects were soon seen in arresting improvements, in destroying confidence, and in the loss of a valuable portion of our citizens, who were driven to more propitious scenes for the exercise of their industry and talents.

The feelings of the most respectable portion of our community were shocked; alarm was substituted for confidence; but hope still remained—a reasonable hope, founded on the lofty and independent attitude of the two Houses of Congress. There we beheld as we thought, a noble phalanx of virtue and talents, prepared to arrest impending evil. This, however, was but a fleeting illusion. The elements of a political storm were brewing, which, in its indiscriminate rage, was destined to menace with destruction the proud charter of a nation's rights. If it has not yet accomplished this end, it has, for a season, a long season, subverted the happiness and prosperity of the people. By a prodigal expenditure of public money, by the avowed and practised precept that the spoils belong to the victor, it has spread a corruption through the nation that threatens a total prostration of morals. The Executive seizure of the public treasure in the legal custody of the Bank of the United States, and the application of it to the gratification of political friends and the furtherance of party objects, have, by one fell blow, destroyed the currency of the country, and enlisted an army of sycophants whose life-blood is drawn from the vitals of the nation.

In beholding these scenes, we stood in two relations: in that of citizens of the United States, and citizens of the District of Columbia.

As citizens of the United States, we partook of the burdens common to all, and were entitled to a share of the benefits common to all. Any abuse of power felt by the people at large fell with equal weight on us. With you, fellow citizens, we labored for our daily bread, and whatever took from you deprived us likewise of the fruits of our industry. We formed part of a great community, to whom a sound currency, ramified through all its departments, was as essential an element of prosperity as the blood that circulates in the veins is essential to the life and health and action of every member of the human body. Hence, on this vital subject, we felt as you felt. Our exertions to support our families and promote our interests were rewarded with blasted hopes.

As citizens of the District of Columbia, we held other relations to the Federal Government. Against the abuses of power and the infliction of wrongs, you had your own State Governments to look to. We were without any such resource. Against the lawless invasions of power you had your State citadels. We had no other refuge but in our moral power. Under these circumstances, it may be a matter of surprise that this power was not more promptly and effectually exerted. It is undoubted that, at this state of things, of our murmurs, if not

loud, were deep. But we had been accustomed to look upon the constituted authorities as a parental Government; we were, many of us, in habits of daily and friendly intercourse with its members; and, above all, we hoped for better times. Unfortunately these times have not come for *you*, much less for *us*.

The 18th of February last is a day memorable in our annals. On that day the people of Washington, and generally of the District, assembled in a strength never before witnessed. One common feeling seemed to pervade the whole community, with the exception, principally, of those connected with, or dependent on the bounty of, the Government. The zeal that brought them together was, in their proceedings, tempered with the calm dignity of freemen. The aggravated abuses of the General Government, and evils, if possible still greater, impending, aroused them, not to phrenzy, but to a resolute determination to express, as citizens of the United States, their opinions of public men and public measures. If they wanted—which surely they did not—any authority for the exercise of this constitutional right, they would have found it in the first article of the amendments to the Constitution, which provides that “Congress shall make no law abridging the freedom of speech, or of the press, or the right of the People peaceably to assemble, and to petition the Government for a redress of grievances;” and in the exposition of the Constitution by the enlightened authors of the *Federalist*, who, in its defence, say: “It ought also to be remembered that the citizens who inhabit the country at and near the seat of Government will, in all questions that effect the general liberty and prosperity, have the same interest with those who are at a distance; and that they will stand ready to sound the alarm when necessary, and to point out the actors in any pernicious project. The public papers will be expeditious messengers of intelligence to the most remote inhabitants of the Union.”

This large assemblage of citizens, biassed by no imaginable interest more selfish than the instinct of self-preservation, or less comprehensive than the vital interests of their country, actuated by no possible motive less praiseworthy than the fearless and conscientious impulses of public spirit, and feeling the same interest in the great questions that affected the general liberty and prosperity, with those at a distance, did sound the alarm, and point out the actors in many pernicious projects; and more especially in one favorite destructive project which has since, under Executive dictation, become the law of the land. They went a step further, and dared recommend to you, as the only effectual remedy, the dismissal of MARTIN VAN BUREN and the election of WILLIAM HENRY HARRISON.

For the discharge of this constitutional duty we have been denounced and held up as fit subjects of punishment; we have been despoiled of our rights; common justice has been denied us; our interests have been sacrificed, and our character impeached, by the very men, and in the very place, provided by the Constitution for the protection of those interests and that character.

Now, fellow citizens, when you contemplate our peculiar position,

you must be sensible that nothing but the dictates of commanding duty could have prompted us to sound this alarm. So far as our pecuniary interests are involved, we have every reason for conciliating those at the head of affairs. Our social relations to them, the benefits which they have the power to bestow or withhold, the habitual respect in which we have heretofore held them, all unite to attach us to them. Powerful must be the cause that can break these ties, and convert our natural regard into political hostility. Look into your own breasts, and you will find that cause. It is because we are American citizens, more devoted to the cause of liberty than to our sordid interests, that we spurned the insidious snares that encompassed us. We claim no exclusive merit for our conduct; we have only done our duty; we have acted towards you as we have no doubt you would have acted towards us under like circumstances.

But the time was to come, and it has now arrived, when we were to feel the lash for not sacrificing our principles to the infatuated policy of the Executive. We have been visited with the vengeance of misrule, and laid under the menace of other such visitations, in points, the most vital to any community that has grown and flourished in a land of law and liberty, and under every encouragement by which equality of rights, security of person and property, and all the freedom of individual action compatible with regular polity, can stimulate the faculties of civilized man to enterprise and industry. First, in the very foundations of trade and commerce; in the very elements essential to the life of every branch of meritorious enterprise and honest industry; essential to the prosperity of all the intimately related and mutually dependent professions and callings of every citizen striving for wealth, or competence, or subsistence; whether employed in commerce, in agriculture, in mechanic trades, or in the operative labor necessary to all, and equally deserving with all, of protection and encouragement: so far affecting the interests and well-being of this entire District. Secondly, in matters more immediately affecting the city of Washington, but of little less importance to every citizen of the Union, whose duty, business, or pleasure, may draw him to the seat of Government; to which a free, convenient, and safe concourse of citizens from all quarters of the Union entered largely into the original design of the establishment. That city has been attacked, in its most indispensable privileges, with a blow, accidentally frustrated for the present by a too eager overreaching of its mark, but to be in no long time mended and renewed with a surer aim. The attempt has been boldly made, and bitterly persevered in, and is yet to be made the test of party strength and predominance, to reduce to abject subservency the freedom of its chartered elections, and to prostrate all its powers of conservative police over subjects in which safety to the lives and properties of man, woman, and child, indweller or sojourner within its bounds, calls for a municipal police the most searching and effective—a police restraining the nightly and disorderly meetings of *slaves*.

As to the first, you all know, fellow citizens, how universally and

through what a long tract of our history the system of banking has been incorporated with the essence of public and private finance, and pervaded all pecuniary transactions, public and private, in the affairs of the American People.

Banks, and the banking system generally, have but recently become objects of indiscriminate and unmeasured denunciation with the party who have selected them for their most favored and prominent topics. The exciting causes of provocation against those institutions are but the reaction of the policy most ardently pursued by the very party who, now, that they see and feel the failure, which all political forecast and experience had foreseen and foretold from the first, of financial projects built on the plan of giving the largest expansion and most exaggerated influence to those institutions, would now vent the overflowings of their disappointment in a war of obloquy and extermination against these same institutions; of which, whatever actual perversions or abuses there were, were the consequence of political experiments, injudiciously conceived and rashly tried, upon the established order and regular progression of affairs. Whatever excesses in the extension of the banking system, or perversions of its primary purposes, the last six years have witnessed, are clearly traced up to the scheme of converting it into a political engine, not of an enlightened or legitimate finance, but of an interested and narrow ambition. Varied, and desperate as varied, have been the expedients to shun or to repair the mortifying discredit resulting from the palpable failure of these projects. After tampering with the currency in all modes but that of preserving or restoring its soundness; after the deposit and distribution of the public money had been changed and shifted till it has become difficult to say whether it be here, or there, or anywhere; after trials of such specifics as "specie circulars" and the like inventions; the last resource seems to be a sort of crusade against banks and the banking system generally; and, though the first fury of the crusaders has fallen upon us, there is no part of the country safe from their ravages, unless they can be dislodged from this the centre of their operations.

In adverting, as we are about to do, by way of illustration, succinctly to the history and progress of the banking system in this country, and to the agency of political men and legislative bodies, from the time of the Revolution to the present day, in establishing, extending, and consolidating the system, it is very far from our design to intimate any abstract opinion of our own, or to call upon you for any practical action in reference to questions that have been agitated in days past, or now raised, upon the constitutionality or expediency of this or that bank, or upon the original necessity and wisdom of the banking system in general, or upon its alleged vices and abuses now or at any former time: our sole purpose is to develop and illustrate the motives and objects of the men from whom we have suffered deep wrong, whose conduct we have a clear right to arraign before you, with a view to effect their dismissal from power, or a stop to their misrule; and to place in a clear view the vast reach of the mischiefs necessarily resulting from their policy—mischiefs now visited with unmitigated severity on us,

and sure, unless seasonably checked, to reach you, if not precisely in the same form, yet in the same degree, and from the same causes.

The establishment of the first bank in the Union was during our revolutionary contest, originating with Congress, and expressly sanctioned by several States; and it powerfully aided our glorious cause. It still survives in credit under the panoply of Pennsylvania.

After the adoption of the Constitution, among the first measures of the Government was the establishment of a Bank of the United States, with the approbation of the Father of his Country, after having most anxiously reasoned out and scrupulously weighed his judgment on the constitutionality and expediency of the measure. This institution, notwithstanding a powerful resistance originally presented to it on constitutional grounds, was universally recognised and used as an establishment of unquestioned validity and competency for all the purposes of its creation, by all the authorities, Executive, Legislative, and Judicial, of the United States and of the several states, throughout the whole of Mr. JEFFERSON's administration, and during the two first years of Mr. MADISON's when it expired by the limitation of its charter. In addition to its practical recognition by all departments of the Executive Government, and their active co-operation in the exercise of its corporate functions, it received distinct *legislative* recognitions and confirmations during the Presidency of Mr. JEFFERSON, in two acts of Congress, approved and signed by him in 1801 and 1807, extending its powers and providing additional safeguards to its operations. Near the close of the war, in Mr. MADISON's administration, the experience of that serious crisis in public affairs, so trying to the resources of the country, seemed to have supplied such demonstration of the indispensable necessity and vast importance of the institution as greatly to have diminished the theoretical objections to its constitutionality; insomuch that a bill chartering a new bank, with a capital more than three times that of the former bank, passed both Houses of Congress, and was returned by the President with objections going exclusively to some particular provisions contained or omitted in the bill, and expressly "waiving the question of constitutional authority, as being precluded, in his judgment, by repeated recognitions under varied circumstances, in acts of the Legislative, Executive and Judicial branches of the Government, accompanied by indications, in different modes, of a concurrence of the general will of the nation." At the next session of Congress, the year after the war, a second bill passed the two Houses of Congress, establishing the late Bank of the United States, with a capital of thirty-five millions; and this, being found clear of Mr. MADISON's objections to the former bill, was approved and signed by him. This bank also, through the whole term of its existence, including seven years of President JACKSON's administration, received as many and as unequivocal recognitions by all the authorities, executive, legislative, and judicial, and as active co-operation of the Government in the exercise of its corporate powers, as the former bank. That President, in his first annual Message to Congress, looking some six or seven years ahead to the expiration of the charter, and apparent-

ly anxious to provide in due season for that event, recommended the subject to the attention of Congress, with some not very distinct reference to certain objectionable provisions in the existing charter; and then for the first time broached the project of a bank on a far grander scale and far more *national* in its frame than had ever before been thought of—the project of “a *National Bank* founded upon the *credit* of the *Government* and its *revenues*.” This project of a “National Bank,” with more or less specifications of its nature and objects, and the necessity of seasonable and immediate attention to the question of rechartering the then existing bank, are reiterated again and again in his subsequent messages; in which, some time before his final breach with the managers of that institution, some symptoms of incipient dissatisfaction at their conduct began to appear. In one of those messages, where he insists on the propriety of leaving the channels of circulation to be filled with the paper of *State banks*, and upon the efficacy of his “national bank” to check any possible exuberance in their issues, we have the first glimpse of the scheme, afterwards carried out with such consequences as we have all seen, for the adoption of the *State banks* into the special patronage of the Federal Government, and of setting them up as rivals, challenging superior utility and favor, to the Bank of the United States. In this scheme the banks of this *District*, though not named, are to be taken as necessarily included; and one of them was afterwards, of course, selected as a Government deposit bank. When, some years afterwards, he found occasion to quarrel outright with the Bank of the United States, repeatedly and perseveringly impeached the legality and purity of its administration, and continually pressed upon Congress hostile measures against it, he found both Houses of Congress, in one of which, at least, there was a decisive majority of his political party, generally thinking and acting with him in politics, yet steady and consistent throughout in support of the bank in all its official relations with the Government, as an institution surrounded by the most indefeasible of legal sanctions to its existence and its functions. President Jackson himself, in his most vehement denunciation of the administration of the bank, and in his most pressing instances to Congress for withdrawing the Government, as far as practicable, from all connection with it, makes an express reservation of points wherein the charter should be found to have pledged the public faith to the bank; and so, admitting the competency of the charter to bind the public faith and tie up the hands of Congress, he admitted the irrepealable efficacy of the charter under the Constitution. The manifest convenience of the bank to the *Government*, and its utility to the *People*, he distinctly admitted; and the indispensable necessity of some “national bank” he uniformly insisted on; till he hit upon the new expedient of substituting *State banks* for all the purposes of bank machinery in the management of Federal revenue, and finance, and the sole suppliers of all the paper circulation of the country, without the check of any national bank, which he once thought necessary to restrain their operations within safe limits.

The committee appointed by the House of Representatives in March,

1832, to investigate the condition and conduct of the bank, and inquire into alleged violations of its charter, the majority of which was composed of gentlemen from among the most zealous supporters of President Jackson's administration, and who had rather run ahead of him in open criminations, though not perhaps in the known tenor of his private feelings towards the bank, conclude a voluminous and long labored report, teeming with charges of grave import against the bank directors, without recommending any action whatever upon those charges, but rather *inaction*; they content themselves with saying "that the bank ought not, *at present*, to be rechartered:" that it seems "most judicious [contrary, as it seemed, to the whole tenor of the President's judgment and most pressing instances] not to *act* upon the question of rechartering this institution, or of chartering any other national bank, *until* the public debt shall have been paid off, and the public revenue adjusted to the measure of Federal expenditures;" thus treating the question of a recharter of the existing bank, or of a new charter to another, as one of mere expediency, depending on temporary circumstances. This report, in the course of two or three months, was answered by a bill more in accordance with the President's recommendations, passing both Houses of Congress, for the extension and continuance of the charter of the then existing bank, with some modifications. In the President's veto message, returning this bill with his objections, he sets out with admitting that a Bank of the United States is "convenient to the Government and useful to the People;" but that "*some* of the powers and privileges of the existing bank are unauthorised by the Constitution, subversive of the rights of the states, and dangerous to the liberties of the people;" and he then goes on to detail the particular provisions of the charter deemed liable to this objection. Every objection turns upon some particular feature of the actual charter: not one upon the principle of a chartered Bank of the United States; so far from it, he says he never entertained a doubt that a Bank of the United States, competent to all the duties required by the Government, might be organized so as to comport with the delegated powers of Congress and the reserved rights of the States. One of his objections to the detail of the charter is, that it restrained Congress from chartering or rechartering banks in this *District* with a greater amount of aggregate capital than what the then existing banks in the District possessed; whereas he insists on the power granted by the Constitution to charter banks there in any number and to any amount of capital, at the pleasure of Congress. In his next annual message he, for the first time, intimates an official complaint, confined to a particular transaction, of the conduct of the bank; he then recommends a sale of the public stock in the bank, and suggests grave apprehensions as to the safety of the public deposits therein.

In the course of the session, the committee of Ways and Means, to whom that part of the message was referred, reported a bill for the sale of the stock, which was instantly *rejected* by the House; upon the other part of the Message, the same committee afterwards (in March 1833,) reported a resolution "that the Government deposits may, in

the opinion of this House, be safely continued in the Bank of the United States." This resolution passed the House by a majority of between two and three to one. In his next annual message, (December 1833,) he announced the fact of his having caused the removal of the deposits during the recess of Congress, and his reasons for doing so, in manifest defiance of the will of Congress, so recently and so unequivocally expressed; and why he took that course instead of the judicial remedy specifically provided by law for violations of the charter. In his next message he reiterates his complaints against the bank with increased earnestness, again recommends a sale of the stock, with a total repeal of all laws connecting the Government, directly or indirectly, with the bank, and the enactment of a law regulating deposits in the State banks. Not one of which recommendations did Congress ever adopt; but steadily, as far as depended on them, maintained inviolate all the original relations of the Government and the bank to the last day of its existence. On the removal of the deposits the House was silent, and the Senate passed resolutions condemning it; nor was any law passed regulating deposits in the State Banks, or having any reference to such deposits, till after the charter of the Bank of the United States had expired. Then, indeed, they went on hand in hand with the then President and with his present successor, organizing a most extensive and complicated system, strictly connecting the General Government in its financial operations with the State banks, prescribing to them a system of discipline, and enlisting them into the service of the United States. Then indeed the *divorce* between Government and bank, of late so clamorously demanded, was as little thought of by the parties to this connection as by new-married lovers in the honeymoon. In the same message the President spoke with apparent exultation of the then experienced capacity and fitness of the State banks to serve all the purposes of the Government; of course including the bank at the seat of Government selected for that purpose, and performing the duty in one of the most important positions.

The public deposits were accordingly distributed among the State banks, from the seaboard to the remotest West, with an official recommendation, tantamount to an instruction, from the head of the Treasury, to discount upon the credit of such deposits for the accommodation of the community. In the first year after this change in the system of deposits, about two hundred additional state Banks and branches were created, and in the course of five years the number had mounted from five hundred and six state banks and branches to nine hundred and one with more than a proportionate increase in the aggregate of bank capitals, according to the Secretary of the Treasury's last report to Congress.

Now, if there be any exclusive or supereminent merit, challenging the admiration and confidence of the country, either in a fixed bank-antipathy extending to all banks, or in a particular and unmitigable abhorance of a Bank of the United States, and of any "national bank," as an unconstitutional and dangerous institution; and if the claim of merit in such particulars may prevail by way of atonement for wide-

spread mischiefs to the community and to individuals, from an over zeal and haste to exterminate all such institutions, surely the party now laying claim to such merit may also claim it as original and exclusive to themselves; they share it not with any of their predecessors in the Executive or Legislative branches of the Government; far less with any of the great exemplars in whose footsteps they make it their glory and their boast to tread; not one of the Presidents, Washington, or Jefferson, or Madison, or Monroe, or Jackson, can pretend to divide the honor with them; and what is still more remarkable, their present selves may claim it equally to the exclusion and in derogation of their former selves, who, as unalterable records and indelible annals show, in no long time past, rested all their claims to public favor and confidence on a directly opposite line of policy, and were the most efficient agents in fostering and expanding, to the extreme limits, the very system and the very institutions they now make a merit of decrying and destroying. If there be any thing in the seeming paradox maintained by some ingenious and subtle minds, that true consistency consists in inconsistency, as being consistent with *existing*, not with past, *circumstances*, then certainly consistency is not the least of their merits.

Again: if it be true, as the recent denunciations of the predominant party infer, that this vast and unprecedented expansion of the banking system is a pernicious excess, fostering a wild spirit of speculation, and operating derangement of the currency and general embarrassment in every branch of business, then, the consequence, that these evils have followed the line of policy pursued by that same party, and by some of those in whose footsteps it is more peculiarly their glory and their boast to tread, is an induction of fact and experience not to be either resisted or enforced by argument. At any rate, it is clear that no part of the blame can be thrown on the banks of this District. They have remained stationary in number and in amount of capital for more than twenty years; or, indeed, have been rather diminished in both within that period. They have preserved a cautious and uniform tenor in their course of business that has stood the test of repeated and strict scrutinies.

The policy of chartering banks was adopted by the States at an early period of their history, and has ever since gone on hand in hand with the rapidly increasing commerce, wealth, and population of the country; till no point, from the seaboard to the far West, the seat of any trade or commerce, foreign or domestic, maritime or inland, was left without its bank or banks; and till the number, in 1834, amounted to five hundred and six, multiplied in the next five years to nine hundred and one: so indispensable have they been ever deemed by the American People to the prosperous pursuit of their business.

When Congress assumed the government of the District, in 1801, we had two banks, one established by Virginia at Alexandria, in 1792, the other by Maryland, at Georgetown, in 1793; but none in the city of Washington. In the year 1814, on the application of its citizens, under the Presidency of Madison, and with his approbation, a bank was established at that place; and within a few years thereafter ten

additional banks were incorporated within the District. The united capitals of these thirteen banks amounted to six millions of dollars, authorized for a population that did not at that time amount to thirty thousand. They all at first apparently flourished, and during the late war aided the Government by liberal loans. Their number and capitals were found to be excessive, and they have since, at the instance of their stockholders, been reduced to six in number, with an aggregate actual capital of about one million seven hundred thousand dollars, enjoyed by a population now little short of sixty thousand. It should, however, be remarked that, although the population of the District does not exceed this number, the District banks are to be considered as connected with, and in fact commercially appurtenant to, the surrounding country in Maryland and Virginia, embracing a population of at least one hundred and fifty thousand; making in all two hundred and ten thousand. As this constitutes about a seventieth part of the whole population of the United States, it follows that, according to relative numbers, our banking capital would be about five millions, whereas it does not amount to two millions.

These banks have invariably supported their credit, only yielding to the irresistible power of the banks in our great commercial cities in the suspension for a season of specie payments, and always resuming them with those banks; have conducted their concerns to the general satisfaction of the community; and are, from official statements, admitted to be at this time stronger and sounder than they have ever before been, and to be equally so with the best banks in the country.

They have enabled the traders of the District to purchase, necessarily for cash, the flour and other provisions, the tobacco, and timber, and fish, with a variety of other products that reach it through the Potomac and Chesapeake, and constitute the staple productions of some of the most fertile districts of Virginia and Maryland; to transport them, so far as they are not consumed among themselves, to other places, such as Baltimore, Philadelphia, New-York, and Boston, and receive in exchange foreign and domestic articles for our consumption. Of the extent to which this commerce has been carried, some idea may be formed by the fact that the money collected by the banks within this District for persons in Baltimore alone, within a single year, exceeds four millions of dollars.

The charters of these six banks have been several times extended and continued, as the limited terms of their duration were successively about to expire, and always without hesitation, as a matter of course and of common justice: first from 1821 and 1822 to March 3, 1836; thence to July 4, 1838; and thence to July 4, 1840. This last extension, being in the time of the former general suspension of specie payments, was made on three conditions, all faithfully complied with:— 1. Not to receive or pay any paper currency of less denomination than five dollars; 2. To redeem their five dollar notes in specie in the course of a month from the passing of the act; 3. To resume specie payments in full in the course of six months, or sooner if the principal banks of *Baltimore* and *Richmond* should sooner do so.

That extensive branch of business, usually conducted by incorporated banks, and reaching in its manifold operations so many of the social relations and such important interests of the country, has been long deemed, and habitually looked to, by the *people* of every State and Territory, without exception, essential to the speedy development of our vast internal resources, and to the general advancement of the great interests of agriculture, commerce and manufactures. Upon no measure of internal policy has the opinion of the People been more distinctly pronounced, or their will more active and efficient. They have taken the matter into their own hands, as one touching the interests and mingling in the concerns of the community at large, and of every citizen in particular. They have called into existence and yet will the continuance of such facilities to the convenient transaction of their private affairs as banks and a circulating medium supplied by banks afford. Even if the system were as vicious in theory and depraved in practice as the party now wielding the powers of the General Government insist; even if it deserved the unmeasured denunciations in which factious politicians seek pretexts, and very hollow and insincere pretexts, to gratify the selfish passions and subserve the narrow interests of party; still, what wise and conscientious statesman, what sagacious and comprehensive economist, no matter under what banner of political party he may range himself, but must perceive, at a glance, how utterly impracticable, and, if practicable, how rash, empirical, and pernicious the attempt to destroy it entirely? It needs not the wisdom or sagacity of the practical statesman or scientific economist; the plain sense and palpable experience of the plain man, employed in the every-day concerns of life, are enough. He sees, as if embodied to his vision, and feels by anticipation, the sudden blight to every branch of productive industry, the lifeless stagnation to all the sources of public and private prosperity, sure to result from the reckless experiments of such hair-brained and obtrusive meddlers as aim at the sudden dissolution of the machinery of public and private finance, without any intelligible model or scheme for its reconstruction; their means and their ends all certainly destructive; whilst reconstruction is left to blind chance or to the uncalculated progress of events, or, worse than all, to shallow projects and bungling contrivances of their own invention.

The more sober and impartial thinker may have observed, in the present organization of the system, many errors tending to abuse and actually producing abuse; yet calling for all practicable amendments and reforms, not for the total overthrow of the system itself; he would as soon pull down his house over the heads of himself and his family, because the roof leaked or the chimney smoked. The system, under the worst aspect it can assume, must be treated like some habitual or chronic infirmities of the human constitution; borne in patience, with such palliatives and gradual correctives as skilful and cautious hands may administer; not violently and suddenly torn from the complex frame of society, into which its manifold roots and all-pervading fibres are shot too deep to be extirpated without destruction to the vitals

about which they are entwined. What power, short of naked despotism, dare now dictate to the people, unprepared with any substitute, the abolition of all existing banks; far more the utter extirmination, root and branch, of the whole system of banking in every form and under every modification whatever; annihilating, with the system itself, uncounted millions of property, or what is available for the purposes of property, as possessing the essential attributes and uses of active and productive capital? By following out the practical consequences of such despotic prohibitions to individuals, it will be clearly seen into what manifold and minute details of social life they intrude; how tyrannically they visit us in our counting-rooms, our work-shops, and our fields, and leave no private dealing between man and man, no recess of domestic life, free from their intrusive perquisitions: like the Egyptian plague of locusts, they infest our houses, bedrooms, and beds, our ovens and our kneading troughs; they control the free will and free agency of the citizens in matters which all but the worst governments, the worst administered, have left to his free will and free agency; and arbitrarily take from him all judgment and discretion in the management of affairs, exclusively his own personal concern. Whether it be more convenient and advantageous to himself to receive payment for his goods, or for the products of his lands, or of his skill and industry, in a portable paper medium rather than in gold and silver or other more bulky commodity; whether he will employ his capital, skill, and industry in the trade of a banker (as regular and blameless a branch of business as any within the whole range of commercial enterprise) rather than in that of a wholesale or retail merchant; whether he will invest his disposable funds in bank stock rather than in lands or other property; whether he will discount his note or bill and apply it to his present needs rather than wait for the regular day of payment; these are but some of the more obvious, and by no means the most important, of the private and personal concerns upon which such arbitrary prohibitions undertake to dictate to the citizen, and take away from him all choice and discretion. From this, it is but a short and easy step to the ancient law of Egypt, now obtaining among the Chinese, which dictates to each man what trade or profession he shall follow.

That the power, dictating these prohibitions, must be despotic in its nature and tyrannic in its exercise; that the People, subject to its sway, must be miserable, and base as miserable if they tamely submit to it, you, fellow-citizens, require no argument to convince you.

It now remains for us to show you, fellow-citizens, that such an act of despotism, in its most tyrannic form, and to the most exaggerated extent, and with circumstances of most aggravated oppression and indignity, has been perpetrated upon us; that all our lately existing banks have been suddenly annihilated by a single blow; that we suffer not only from the negative act of a refusal to continue the charters of those banks, or to license any other in their place, but from the aggressive act of cutting up, root and branch, the whole trade and business of banking, in any form or under any modification whatever, in this District; that now the whole trade and business of banking, in

all its modes and details, down even to the simple act of placing money on deposit in a bank vault, is declared positively unlawful, and rigorously prohibited under greivous penalties of fine, forfeiture, and imprisonment: lastly, that this act, however vindictively, or from whatever temporary motives, it may have been enacted against us specially, is nevertheless part and parcel of a general plan contrived by the same party, and intended, sooner or later, to be brought to bear upon you, by some device contrived to pierce the ægis of your State sovereignties; not, indeed, with the open and naked force by which our prosperity and our most sacred rights have been assailed and cloven down, but by operations indirectly tending to the same end, and by which the opposing ramparts of State sovereignty may be mined and sapped under cover of pretexts drawn from the delegated powers of Congress.

Of this complaint we now proceed to the plain and circumstantial proof.

Early in the last session due applications were made to Congress for a further extension of the time limited to the continuance of the bank charters about to expire on the 4th of July last. Every exertion was made, by solicitations from without and by representations within, to have these applications disposed of in due season. But after the offence taken at the proceedings of the aforesaid meeting of citizens on the 18th of February, all business having any relation to the interests or wants of the District lay under a dead weight. Every effort of those members inclined to a conscientious performance of their duties as the delegated legislators for the District, to have its due portion of time and attention bestowed on its most urgent affairs, met with sullen neglect or active opposition from the majority. Some matters calling for scarcely a moment's consideration, and upon which there seemed, before the 18th of February, a common consent and general understanding that they were to be passed on as matters of course, lay ever after under a stern interdict. At last, when the session seemed to be approaching near its termination, and well-grounded apprehensions were felt that the business of the Territories and the District might be crowded out, a resolution was offered for setting apart some specified day or days for taking up the business relating to the Territories and the District; and a *division* of the *question* being called for, so much of the resolution as related to the *Territories* passed, and all that related to the *District* was lost. Now, as the Territories had local Legislatures fully competent for all the purposes of local legislation in general, whilst the District was dependent on Congress alone for every act of local legislation, ordinary and extraordinary, the mark thus set upon it was so much the more conspicuous, opprobrious, and insulting—so much the more a violation of all moral and political justice, and of the most sacred and imperative duty.

It was not till near the close of the session, in the midst of the press and hurry usually attending that stage of the public business, that the subject of the District banks could be brought under consideration. The proposition for an extension of their charters was put in every

form calculated to disarm, if not to conciliate, their most determined and thoroughgoing adversaries. Indeed, most of the forms into which it was moulded by amendments insisted on by its adversaries would have reduced the banks to a condition of inertness, with bare enough of life for a very brief span of languid existence. In one form a prolonged existence for eight months, in another for twelve months, was proposed; in all, the most burdensome conditions were imposed, many of them evidently contrived so as to cripple the banks for any active and beneficial operation. Yet the banks and the community were anxious to obtain the boon of mere life on any, the hardest terms. In the most maimed and crippled state in which they could escape from the hands of their enemies, the banks might still have served some of the minor yet indispensable purposes of a commercial community; and some cheering hope of the future would have remained: but the proposition was finally rejected in every possible form in which it could be presented by its friends, or modelled by its enemies, and all the banks without exception, (even including one that had found itself in a condition to decline uniting with the others in the general suspension of specie payments,) were at once and indiscriminately swept from existence.

All that could be obtained was an act affording some necessary, and barely necessary, facilities for finally closing and winding up the outstanding concerns of the banks; for which purpose, and most strictly confined to that single purpose, their corporate capacity was continued for two years. But, in granting this boon, every possible avenue through which the *community* might derive any sort of advantage or the commonest convenience from the presence of the banks during that short interval, was studiously sought out, and industriously closed up. They were strictly prohibited not only from issuing or reissuing any bills, notes, checks, or *certificates of deposit*, but even from *receiving* of any person whatever other than a stockholder any money or other property on *deposit* under an obligation to *return* it. So, the citizens are forbidden the mere use of the bank vaults for the deposit or safe keeping of their money or effects; for, without "an obligation to *return* it," it would be no *deposit*, in any sense, but a sheer gift and utter loss of the money or effects placed in the bank-vaults: it might as well be thrown into the sea.

But the disqualifying consequences to the People of this District from this course of legislation, oppressive and capricious as it is, reach far beyond the mere extinction of all our existing banks, without any provision for putting any thing in their place.

In the year 1817, when a considerable addition was made to the number of District Banks and to the aggregate amount of bank capitals, Congress deemed it expedient to confine the whole trade and business of banking, in all its branches and details, to the incorporated banks; and accordingly prohibited both the *discounting* and the issuing of notes or bills, or any other securities, orders, or promises for the payment of money, by any unchartered banking company, or any *association, partnership, or company* of individuals, under penalty of fine

from one hundred to five hundred dollars for each offence, with the addition of imprisonment from three to twelve months for signing, countersigning, or endorsing any such note, &c. with the loss of the whole amount of the note; and so stands the law to this day.

Now, taking all these acts of legislation together; what the majority in Congress refused to do, and what they did, at the last session, in connection with the general known law of the land, previously enacted, and yet left in full force, and we have as we have asserted, the complete, utter, and designed prohibition and extermination, root and branch, of the whole trade and business of banking in all its possible forms and details; the prohibition is not confined to the issuing of notes and bills for general circulation, but extends to the *discounting* of a note or bill; so that the simple act of taking an assignment of a note and paying to the holder the amount in money for which it is drawn, merely deducting the legal interest for the time it has to run, is within the prohibition and subject to the penalty. We are thus forbidden resort, in any possible way, to our own enterprise and means for supplying the want occasioned by the extinction of all our existing banks—a want just as imperious in the present condition of society as the want of any other trade or profession.

It was said on the floor of the Senate, by way of justifying the rigor with which the banks were treated, that, when their charters were renewed in 1838 for two years, it was intended to be for the last time; and, therefore, they should have been now prepared to wind up. Of this intention neither we nor, as we believe, the bank directors ever heard. But such an *intention* only makes the course of the majority in Congress so much the more inexcusable, and its oppression so much the more deliberate and cruel, not to the banks, but to the outraged *people*. With such an intention in their minds, the majority were so much the more bound to have provided against consequences by a well-considered and digested plan for securing to the people the indispensable advantages and facilities of banking in some form deemed more unexceptionable than the existing banks.

It was a sufficient, and perhaps, a questionable, stretch of power to have confined the trade and business of banking to the incorporated banks; but to prohibit and exterminate that entire branch of business in every form and modification of it, never before entered the head of any sane and honest legislator in such a state of society as the present. A law prohibiting the trade of a merchant, a carpenter, bricklayer, tailor, or shoemaker, or the professions of divinity, medicine, or law, would be neither more absurd, nor more contrary to natural justice.

Now, fellow citizens, look to yourselves. The State Banks have been included in, indeed, made the principal butt of, all the most vehement denunciations on the floor of Congress against banks and banking; the chosen cover to the shame of repeated and signal disgraces from new-fangled and shallow projects of tampering with a currency which these projectors had found in the soundest condition, and with a system of finance approved by half a century of sage ex-

perience, and, when first subjected to empirical treatment, flourishing beyond all former example. It has been also said openly on the floor of Congress, by men who, in our case, have been found potent in evil, that Congress, in dealing with the District banks, should exhibit a model fit for the States to follow in relation to their own banks. How soon the modesty of merely proposing models may yield to the temptation of actually modelling State legislation or the creatures of State legislation, evidently depends on the contingency of power and means. Specie circulars have run their round; Sub-Treasury, yet in its cradle, and a bankrupt law, aimed specially at the banks, remain to be tried; and what other devices time and opportunity may develop, it would be vain to conjecture. One thing is certain, there has not been a pretext devised for suppressing the District Banks, that does not apply with equal, indeed, greater force to the State Banks. The suspension of specie payments, the main pretext and the only one having any show of plausibility, came from the State Banks to the District Banks, who took it up at second-hand; and if the accessory is to be thus punished, what is in store for the principal?

We desire to be understood as by no means imputing either the motives or acts of these oppressive measures in relation to the banks, indiscriminately to *all* the members composing the political *party* upon whom *collectively* such motives and acts are justly charged. We readily admit some individual exceptions, which a reference to the journals and debates will enable you easily to distinguish.

We come now, fellow citizens, to the second head of our complaint—an attack upon the privileges of the people of Washington, and upon the most indispensable safeguards to the peace and security of the city, so outrageous as to be incredible, unless it had been brought under our personal cognizance and experience, and vouched to the country by evidence enough to silence the most willing skepticism. In this instance the sway of party-spirit, in its most concentrated essence, was undisguised and evident in every thing, except in the disingenuous and deceptive means by which it pursued its darkling way to its undeniable end. We proceed to a succinct history of the origin and progress of this attempt leaving the simple facts to bespeak the motives and objects of its authors.

On the 1st of June last, the regular election of Mayor, Aldermen, and Council, for the stated term of *two years*, took place under the existing charter of the city. This election seemed, by common consent, to have been made the test of the relative strength of parties in the city in relation to the questions of general politics which divide the People of the Union; and persons entertaining opinions openly and firmly opposed to the course of the present Administration were elected by a clear majority of two to one.

No sort of complaint—no whisper—no murmur, bringing any way into question the perfect regularity and fairness of this election, was heard from any quarter. Disappointment and regret at the political result, with the usual sense of mortification in the few personally interested in the event of the contest, was the only feeling ever mani-

fested by those who had desired and endeavored to bring about a different result. They imagined not the folly of attempting, for any purpose of party spite or political effect, to raise any controversy about an election so clearly unexceptionable; far less the atrocity of appealing to Congress to interfere and annul it by the sheer force of legislative enactment—by the force of law, no less lawless, in the eye of natural and constitutional justice, than the most brutish force which the law ever punished. If such an atrocity was ever contemplated by any of our citizens, it must have been confined to a very few; and those dark conspirators, carrying on secret intrigues which they took care to hide from the general indignation and disgust which, at the first promulgation of such a design, would have burst in one united voice from the mouths of all our citizens, with little or no distinction of political or municipal parties.

In a few days after the election, however, a petition was got up and presented to the Senate, under circumstances which, taken in connexion with the subsequent action on it, raise well-grounded suspicions of some dark intrigue, of which the agents have never been clearly developed. This petition specified several alterations desired in the charter, the whole of which were against the decided wishes of the great mass of the people, and some of them against the wishes of many whose signatures were obtained by gross misrepresentations. But it contained not the remotest hint against the late election, or intimation of any design to bring it into any sort of question. It set out with a misrepresentation so gross and palpable to every one acquainted with the provisions of the existing charter as to make it altogether incredible that the framers and promoters of the petition expected to deceive by it any member of Congress who would examine the charter, or that the mass of the members could be deceived by it, without the *connivance* of the committee to whom the subject might be referred, and who could not proceed a step in the examination without discovering the imposture. It might well serve the temporary purpose of entrapping subscribers, careless as they are generally about such matters, and without the ready means of detecting the misrepresentation in question, even if they had thought of the matter at all.

The misrepresentation alluded to consisted in this: that the city charter expired, by its own limitation, in *May* 1840, and, therefore, a *renewal* of the same must, from the necessity of the case, be asked for. The obvious and necessary *consequence* from the strange circumstance of an election under a charter expired the month before, is not insisted on, nor, in any sort, alluded to; all that matter, is left, and, it is clear from all the circumstances, studiously and artfully left, to silent implication and inference, to have its effect, without divulging the cause of such effect.

We have said the grossness of the deception must necessarily be palpable to any committee that should go into any examination of the subject; though with the connivance of the committee, it might pass on the mass of members who seldom examine into these local matters.

If this were not a thing of course, it is made more clear by the nature of the examination made necessary by the terms of the petition itself; which is not for a mere extension or renewal of an expired charter, but for renewal with many important alterations incorporated into it, which could not be effected without examination and comparison of the original charter; and at the first glance it would be discovered that the charter, so far from having any limitation of time, partook more of the character of a *permanent* law than any to be found in the statute book; it was to "continue in force for and during the term of twenty years, [from May 15, 1820,] and *until* Congress shall, *by law*, determine otherwise;" equivalent to declaring it irrevocable during that term, and of indefinite continuance after.

The promoters of this petition, with all their exertions, fair and foul, to give it the imposing appearance of numbers, obtained less than 400 signatures out of a population known to be 25,000 or more.

When this petition was presented to the Senate by the member selected to patronize it, a novel and extraordinary course was taken with it. Instead of being referred to the standing committee on the District of Columbia, as had invariably been the case with all petitions for local objects from any part of the District, it was referred to a *select* committee, whereof Mr. Norvell, of Michigan, was chairman.

The bill reported by this select committee was very voluminous and elaborate, containing some five or six sections more than the original charter; which, however, is taken for the frame of the new one, with the alterations stated in the petition, and several others originating with the committee, all elaborately interwoven with the substance of the existing charter; a comparison between the two demonstrates an elaborate and minute examination of that charter, by the committee or its chairman who framed the new bill; the very section declaring its continuance for 20 years, with indefinite continuance afterwards till otherwise determined by law, is taken up in the new bill, and altered to 10 years, with a reservation to Congress of the power to alter or repeal it at any time. Yet this bill is entitled "to amend and *continue in force* the act to incorporate the inhabitants of Washington;" a strange title for a bill merely *amending* an existing act yet in full force, and requiring no other act to continue it in force; only subject, like all other laws, to be altered or repealed by the legislature that enacted it: still stranger, as the act, instead of being *continued* in force, as the title of the bill says, is expressly *repealed* by the very terms of the same bill: a very suspicious title, too, when taken in connexion with the palpable imposture, on that very head, in the petition; which should rather have been denounced than thus implicitly countenanced by the chairman of the committee.

After some merely formal provisions in the first and second sections of the bill, the third comes at once to the matter of the election, and, without any cause or reason assigned, proceeds, without ceremony, to set that election aside, and direct a new one on the first Monday of October next.

Here, fellow-citizens, facts speak; the wrong, the insult to this peo-

ple, the motives to that wrong, all stand out manifest, if not confessed. It is unnecessary to enlarge upon the circumstances or suspicions of low and discreditable artifices and deceptions that, if made out ever so clear, could go but to aggravate and inflame superfluously what, upon great public grounds of natural justice and constitutional right, ought alone to be sufficiently detestable to every good citizen of the Republic.

This bill was called up in the midst of the press and hurry of business, three or four days before the adjournment; and, notwithstanding the general interdict laid upon District business in general, was pressed upon the Senate by the chairman of the select committee and his friends of the majority, and passed to a third reading. Notwithstanding the remonstrances of the minority, who urged the want of due deliberation on its voluminous provisions, the small number of applicants for a new charter, and the manifest surprise upon the great mass of the people interested, repeated motions from the minority to postpone it and lay it on the table were rejected. The party for the bill seemed organized for the occasion, and it is well understood that the party in the other House was equally prepared for its reception: how it was, the next day, arrested in its progress, on the motion of a member who had voted for it, will presently be shown.

The bill was introduced with a high flourish of encomium. A Senator from Ohio undertook to rally his party around it, as the symbol of their principles, and the test of their fidelity to their principles; and confidently predicted the event, which doubtless he knew was held under the thumbs of himself and his friends; namely, that on this measure, involving fundamental principles, there would not be found the difference of a hair among his party. Accordingly it was voted to a third reading by the unanimous voice of that party, comprehending all of them then in their places.

We now ask your serious attention to another feature of this bill, practically, perhaps, more mischievous in its design, tendency, and effects, than the attack upon the freedom of elections, and of more fearful import to all the slave-owning States, in common with this city and District, standing in the midst of them, with like interests and subject to like perils. This feature originated with the select committee itself. So far from being asked for or any wise intimated in the petition, we believe there is not one of its signers or promoters, good or bad, who would not, in common with the mass of his fellow-citizens, have spurned at it if proposed.

In the existing charter there is a long section (the eighth) conferring many and miscellaneous powers on the Corporation. Among others, a power to draw lotteries; and, above all, very large powers for the institution of an effective police over disorderly and dangerous persons of various descriptions, comprehending *slaves* by name. The section discriminates with care the different modes in which slaves and free persons, white or black, are to be dealt with and punished. In one part of the section the Corporation is empowered "to restrain and prohibit the *nightly* and other *disorderly* meetings of slaves, free negroes,

and mulattoes," and to punish the slaves by whipping and imprisonment, the free negroes and mulattoes by pecuniary fines. In a distant and distinct part of the same section, towards its end, is a distinct clause providing for the *corporal* punishment of slaves for the breach of such municipal ordinances as impose pecuniary fines, unless the master will come forward and pay the fine.

This section is taken up in the new bill, and re-enacted with certain alterations. One of the alterations takes away the power to draw lotteries; other alterations consist in expunging every provision relating to *slaves*; every clause and part of a clause where the word *slave* appears is studiously culled and picked out, here and there, throughout the section. In short, upon comparison of the two sections, it appears to demonstration that this was designedly and industriously done by the framer of the new bill.

This would clearly have amounted to a deliberate and express *repeal* of so much of the now existing charter as brings slaves under the cognizance of the municipal police; a repeal of every word in the charter going to recognise the possible existence of any such being as a *slave*—or any thing like *property* in a slave—of any difference between a *slave* and a *freeman*.

Why, and for what object, was this designed repeal, (evidently designed and industriously elaborated, as it appears,) is the question.

Certainly we must acquit the framer of the bill, its chairman, and the select committee, of the malignant and horrible design (that is, as a primary and principal design) to expose the people of the city, and all sojourners here, the committee themselves, to the appalling dangers like to ensue from the total exemption of slaves from all supervision and restraint of a conservative police, as this bill would have exempted them; to give them, by repealing a provision prohibiting and punishing "*nightly and disorderly meetings*," a clear license to hold "*nightly and disorderly meetings*," without any possible control from the municipal police; whilst the *nightly and disorderly meetings* of free negroes and mulattoes were still to be prohibited and punished.

What other motive, design, or consequence, then, can be assigned to this most extraordinary procedure?

Surely no other than such a motive or design as the act itself imports; no less consequences could have been intended than such as necessarily or naturally would have followed the act itself.

This repeal, then, would have amounted to a *disclaimer* or renunciation by Congress of any such condition as *slavery*, of any such *property* as slaves: it would have been equivalent to an admission of the most ultra doctrines of the most ultra abolitionists; and have left the door of Congress wide open for enunciating the theoretical proposition, and giving to it all the effect of law—that slavery cannot, in the nature of things, be established or permitted by any *human* institutions, however positive, no matter how high or imperative soever the authority whence they are deived: that the force of all human laws,

whether fundamental constitutions or ordinary enactments, all yield to the paramount force of natural and divine law.

No motive or design worse than this need be imputed; none better can possibly be inferred if any motive or design whatever is to be inferred from a solemn, deliberate, and carefully weighed act of legislation.

Here also, fellow-citizens, we leave the facts to speak; and if what they speak is to be gainsaid, most certainly it must be by other *facts*, or by contradiction of these, not by argument.

This bill was passed to a third reading, as we have said, by the unanimous vote of the party, rallied and specially invoked to its support. Among them were several Senators from slave-owning States. These, doubtless, were kept in the dark as to these most dangerous and far-reaching implications of the bill they were voting for. It would have required a minute and critical comparison between the corresponding sections of the existing charter and the bill to discover them; and it may be well supposed they did not give themselves the trouble, in the hurry and confusion of the moment, to institute such a comparison, and had no preconceived suspicions leading them to it. What apology or explanation, if any, they receive from their colleagues and associates in the party convoked to the support of the bill, for palming such a measure upon them, we know not.

So it is that, the next day after the passing of the bill to a third reading, a Southern Senator, who had voted for it, renewed a motion, before made by one of the minority without success, to lay it on the table, and there it was laid accordingly. But for this, the bill would have passed; and if there had been time for the amendments necessary to quiet the particular scruples of the Southern Senators, it would still have passed, with all its other and no less enormous transgressions against conscience, and against every principle of natural justice and constitutional right, on its head.

The same Senator who was so sensitive, and justly sensitive, to such vices in the bill as he discovered, and ought to have known from the first, trenched upon the peculiar interests and principles of himself and his State, recoiled not from the summons of party to perpetrate positive injustice upon us, and to trample in the dust all the principles necessary to have invested with any transcendent merit the pride or the patriotism that led him, at the last hour, to recant an inadvertent error against the interests and principles of his own State. The bill, in all other respects, yet hangs over our heads, like a sword suspended by a hair; and at the next session is doubtless to be again made the touchstone of party strength and predominance, unless rebuked by you in the mean time.

We might go on to point out other provisions in this bill, militating, and we fear designed to militate, against the peace, good order, and prosperity of the city. But with these we must be content to wrestle as we may; we have designed to trouble you only with such matters as, in point of practical importance, and the value of the principles involved, may well claim the serious regard of the nation.

We deem it unnecessary, fellow-citizens, to say any thing in vindication of our original, inherent, and absolute title to all the privileges of freemen—of Republicans, in a land of law and liberty; our title to restrain the Government, placed over us, within all the limits proper for freemen and Republicans in a land of law and liberty; within the strictest limits of the Constitution; within the limitations of the Government from which we were taken when transferred to this; within the necessary and understood limitations imposed by natural right and universal justice, in cases not reached by any of the positive provisions of a written Constitution. Any contrary notion of the power implied by the grant of “exclusive legislation” in the Constitution, leads to endless absurdity, or, what is worse, to a virtual dispensation, not only here but every where, from all the most indispensable restraints and limitations of power in the same instrument. Could any rational man expect that the selfsame Government could act the despot and tyrant, reign over abject slaves, disenthral itself of all constitutional restraints, in one place, and, in every other place, be the subdued, moderate, and circumscribed creature of the Constitution; submissive to the reserved rights and authority of the States, fearful of overleaping any constitutional boundary, and sensitive to the will of its constituents? Then let him expect to see Scripture falsified; to see the Ethiopian change his skin, and the leopard his spots.

Let such a man imagine such a state of things at the *seat of Government* as new-fangled treasons, bills of attainder, ex post facto laws, and general warrants; habeas corpus and jury trial taken away; patents of nobility and an established church, with a suppression of all dissenters in religion; and all other of the abominations upon which the Constitution has placed the mark of indelible reprobation: then let him think with himself, no matter of what State or Territory he be citizen, with what alacrity and ardor he would march to the overthrow of a Government *so seated*, no matter how inoffensive its conduct might happen, for the time, to be out of the immediate sphere of its prescriptive tyranny.

Take another hypothesis rather nearer to the matter in hand; *liberty of speech* and freedom of the press, put down and extinguished at the seat of Government; your *local* despot shrouded from all observation, within a dark cloud, extending its murky reign ten miles round; impassable to the light of the press; overshadowing poor awe-struck slaves, who dare not utter one word above their breath displeasing to their masters; then say what would be the value of liberty of speech and freedom of the press out of the bounds where they were proscribed, and where alone liberty of speech and freedom of the press can obtain the most necessary materials for their functions to operate on.

No: if there be one place within the wide bounds of this Republic where, more than in any other, the deepest interests of the Union call for the most active spirit of liberty, for the habitual cultivation of the most high-toned and manly independence, that place, above all others, is the Seat of Government.

We have no fear, fellow-citizens, of your falling into speculative errors so monstrous; and as little of your failing to perform with good faith the duties dictated by your relations to the Constitution and to us. In that confidence, we, for the present, remit our cause to your hands.

Signed by order of the Convention.

WALTER JONES,
Chairman of the Convention.

HENRY J. BRENT, *Secretary.*

MEMORIAL

To the Honorable the Senate and House of Representatives of the United States in Congress assembled.

The legislature of the state of Michigan, convened at the capitol of the state, at their regular session for the year one thousand eight hundred and forty, would most respectfully call the attention of Congress to the subject of speedily opening by a canal around the falls of St. Marie, that boundless field for the adventure and enterprise of the citizens of six states and one territory, who will have access to, and may be immediately benefitted thereby. The construction of said canal on a proper scale, would extend our ship and steamboat navigation, by adding an extent of about sixteen hundred miles of navigable coast to that of the lower lakes. The importance of this work will be more readily understood and appreciated by a brief statement of the following facts respecting the climate, productions, resources and extent of this comparatively unexplored and almost unknown region. The whole of Lake Superior lies within the latitude of, and the agricultural products of the surrounding country would be nearly similar to those of Lower Canada, particularly along the southern coast, on which there are large tracts of good farming country. The country bordering Lake Superior is covered with immense forests of pine, through which many large and navigable streams flow into the lake, affording mill seats and safe and convenient harbors. The productions of this "American Baltic" in fish, are literally inexhaustible. These fisheries are destined, in the opinion of your memorialists, should the proposed work be completed, to become a source of profitable employment to a large amount of our constantly increasing shipping, and a nursery for our seamen. The facility with which large cargoes can be taken and packed for market, is demonstrated by the success of adventurers, who have, under many disadvantages, carried on the business, and confirmed the opinion that these fisheries are inexhaustible. The fish are sought for with great avidity, in exchange for the surplus productions of the farming country bordering on the lower lakes; and this surplus consists of the articles required for the consumption of, and carrying on the trade with, that upper country. The different kinds of fish found in Lake Superior, are white fish, trout and siskouit. The most favorable time for taking each kind is so varied, that fishermen

can be employed throughout the whole fishing season, without any intermission, by changing their stations from one point to another. The most productive fishing grounds are the great sand banks near the lower part of the lake, extending a distance of sixty miles, and throughout the whole extent fish may be taken in great abundance for six months in the year. The other most important points are Isle Royal, Grand Portage, Fond du Lac, La Pointe, Pointe Reuinnaw, and Grand Island; these furnish safe and convenient harbors for shipping, and the adjacent country is covered with timber, affording wood for steamboat purposes.

The Lake Superior region abounds in all the rich and valuable furs found in similar latitudes either in Europe or America. The policy of the British government, of establishing a British influence among our frontier tribes of Indians, making them enemies in time of war, and depriving us of their trade in time of peace, may be effectually counteracted by the prosecution of the improvement sought for by your memorialists. It has been often, by scientific travellers, reported that copper ore existed in this region, of great abundance, and of the richest quality. This subject was, during the last summer, thoroughly examined, and the result has established beyond a doubt that immense beds of ore show themselves on the shores of the lake. The ore on being analyzed is found to vary in richness from forty-six to ninety-three per cent. The principal beds of ore lie about mid-way the southern coast of Lake Superior, situated conveniently to a safe, commodious and beautiful harbor. The following communication from the Hon. Lucius Lyon affords important and valuable information on this subject;

DETROIT, Feb. 27, 1840.

SIR—In compliance with your request, I now give you briefly, and in general terms, such information in relation to the resources of Lake Superior, and the importance of constructing a ship canal around the falls of the river de St. Marie, near the outlet of that lake, as I was enabled to obtain last summer during a visit to the country, and a residence of about six weeks at La Pointe.

La Pointe is situated on one of "the Apostle's Islands," about twenty miles west of the mouth of the Montreal river, on the south side of that lake, and being the head quarters of the "American Fur Company," and the location of an agency for the Chippewa Indians, is annually resorted to in the summer by a large portion of the traders, half-breeds and Indians of the whole Lake Superior region. It affords, therefore greater facilities for procuring correct information in relation to the country, than any other place in it; and I endeavored to avail myself of those facilities to extend my knowledge of it, as far as the hurry of business, during my stay there would permit. Having, while in Congress, when the limits of Michigan were about to be unjustly curtailed on the south, first proposed and taken an active part in procuring the extension of our boundary to the northwest, so as to embrace a large tract of country on the south side of Lake Superior, a principal object

of my enquiry was, of course, to ascertain the character and value of the country thus added to our state. The result of those inquiries, I am happy in being able to say, was far more favorable than I had ever anticipated.

That portion of our state lying beyond the straits of Michillimacinae, and bounded on the north by Lake Superior, contains probably about twenty-five thousand square miles, or about one third more land than is contained in the states of New Hampshire and Vermont both put together; and is capable of sustaining, and will sustain at some future time, as great if not a greater population to the square mile than either of those states. Its soil is good, better than that of the New England states, and the country is well adapted to the production of wheat, rye, barley, oats, potatoes, wool and flax, while the fisheries in the lakes on either side of it, and its rich mines of copper and iron ore, will afford sources of profitable employment for thousands of persons who will need those products, so that the farmer there will always have the advantages of a good market at his own door. The land is well wooded with sugar tree, beech, ash, lynn and black cherry, and in some places forests of pine. The country is rolling, and well watered; it contains but little swamp, and the proportion of waste lands in it is probably less than in the lower peninsula of our state, though the proportion of waste land there is much less than is generally supposed. The climate of the country is said to be quite as mild as that of the states of Maine, New Hampshire, Vermont, and the northern part of the state of New York, the severity of the winter season being moderated by the waters of Lake Superior and Michigan, which are so deep that they never freeze except at or near the shore.

Montreal river, before mentioned, is the western boundary of the country above described. It divides Michigan from the territory of Wisconsin, and according to Farmer's map of Michigan and Wisconsin, has its source in "Lac Vieux Desert." This representation on the map, however, I believe to be erroneous, for I learn from persons well acquainted with the country, that Lac Vieux Desert empties itself into, and forms the head of, the Wisconsin river, and that Montreal river at the point of its nearest approach to that lake, is at least seventy or eighty miles distant from it. It is therefore probable that a question of some importance may hereafter arise between Michigan and Wisconsin in relation to this boundary; and I mention the subject here, that the legislature may be apprised of it. The country bordering immediately on Lake Superior in the territory of Wisconsin, is said to be not as good as that east of the Montreal river in the State of Michigan; but there is a large extent of fine country south of it in that Territory, the commerce of which, or at least a great portion of it, must always be carried on through that lake, and add greatly to the importance of constructing the contemplated canal. That work, however, would be sufficiently important to justify its construction even at ten times its probable cost, if it were only for the purpose of opening a way to the fisheries of Lake Superior, before referred to.

Those fisheries are now occupied solely by the American Fur Company; but they are growing rapidly in importance, and will soon, if the ca-

nal should be constructed, become a source of great wealth to the whole lake country. I have no means of knowing the number of barrels that were taken last year, but I believe it is but three years since the fishing business was first commenced in that lake; and it is well known that there are now in this city thousands of barrels of very excellent fish that were caught there, and that are sold for nine and ten dollars a barrel; though their actual cost to the owners at the place does not probably exceed half that price. In addition to this, it is now pretty well ascertained, as before intimated, that the upper portion of Michigan abounds in mineral wealth. It has for a long time been reported that mines of copper ore were to be found on the south side of Lake Superior, that could be worked to great advantage, and the truth of this report has lately been confirmed by a gentleman who visited the last summer, and made examinations with a view, as he informed me, to commence mining operations there in company with some gentleman in London. The proposed canal around the falls of the river de St. Marie, though only about a mile in length, is therefore a work of great importance to the States of New-York, Ohio, Indiana, Illinois, Michigan, and the Territory of Wisconsin, and in the event of a war with England or with the Indian tribes of the north-west, it would be of great service to the whole United States, on account of the facilities it would afford for the transportation of troops and military stores. It is in fact, emphatically a NATIONAL WORK, and ought to be, and I trust will be, constructed by the General Government.

I am, sir, very respectfully,

Your most obedient servant,

[Signed]

LUCIUS LYON.

Hon. S. ASHMAN, Chairman, &c.,

House of Representatives of Michigan.

The only obstruction to the opening of Lake Superior is at the falls of de St. Marie, where a canal has been surveyed by the authority of the State of Michigan.

Your memorialists, therefore, the Senate and House of Representatives of the State of Michigan, would most respectfully solicit Congress for suitable appropriations of money or lands, or both, for the construction of said canal.

Resolved, That our Senators and Representatives in Congress be requested to urge upon the same the importance of the above appropriation.

Resolved, That a copy of the above memorial and resolution be transmitted by the Secretary of State to each of our Senators and Representatives in Congress, and also to the Governors of the States of New-York, Pennsylvania, Ohio, Indiana, and Illinois, with a request that the same may be laid before the legislatures of their respective States for such action in the premises as they may deem expedient and appropriate.

Approved, March 30, 1840.

(A true copy.)

THOMAS ROWLAND,
Secretary of State.

FRANKFORT, KENTUCKY.

EXECUTIVE DEPARTMENT, }
 February, 18, 1840. }

SIR:—I have the honor of inclosing you a copy of a Preamble and Resolutions adopted by the General Assembly of Kentucky, concerning the Public Lands; you will perceive the wish of the General Assembly expressed that you lay the same before the Legislature of your State.

Respectfully, your obedient servant,
 C. A. WICKLIFFE.

HIS EXCELLENCY,

The Governor of the State of Indiana.

PREAMBLE AND RESOLUTIONS CONCERNING THE PUBLIC LANDS.

WHEREAS, The Legislature of Kentucky has seen that a proposition is now pending before the Congress of the United States, to cede, by act of Congress, the Public Lands to the several states in which they lie. The Legislature of Kentucky feels itself called upon to express its dissent to such a measure, or any other that either cedes such Lands to the States in which they lie, or appropriates them to any use, except such as will result in the general benefit and welfare of the whole of these United States. The Lands conveyed to Congress, by the State of Virginia, were conveyed in trust, for the benefit of all the States, and were conquered from the crown of Great Britain, by the common struggle and treasure of all the States, as were all other Lands acquired in the Revolutionary War. Those acquired since, have been acquired by the common treasure of the whole of the States, and are held by Congress, in like trust, for all the States; and having been so obtained, and so held, ought not to be relied on as a fund for the payment of the ordinary expenses of the National Government, and thus dissipated without any lasting or permanent benefit resulting to those by whose blood and treasure they were acquired: Therefore,

1st. *Be it Resolved by the General Assembly of the Commonwealth of Kentucky*, That the Public Lands of the United States are not, of right, the property of the particular States in which they lie, nor that of the people of such States, and therefore the Congress of the United States ought not to cede such Lands to such States, or any of them, or to appropriate such Lands for any purpose whatever, but in behalf and for the benefit of the people of *all* the States.

2d, *Resolved*, That the National debt being now paid off, all moneys arising from the sales of the Public Lands, after defraying the expenses incident to the sales, ought to be distributed among the several States according to the federal numbers of each State.

3d. *Resolved*, That a copy of the foregoing preamble and resolutions be forwarded by the Governor, to our Senators and Representatives in Congress; and that our Senators be instructed, and our Representatives requested, to resist with all their energies, and to enter their solemn protest against any measure by which the Public Lands are to be transferred to the particular States in which they lie, or any appropriation made of them, except for the general benefit of the whole of the United States.

4th. *Resolved*, That a copy of this preamble and resolutions be forwarded, by the Governor, to the President and Vice President of the United States, and also to the Governors of each of the other States in the United States, with a request that they should lay them before the respective Legislatures of the said States.

JOHN L. HELM, *Speaker of the House of Reps.*
SAMUEL HANSON, *Speaker of the Senate.*

APPROVED, FEBRUARY 12, 1840.

[L. S.]

CHARLES A. WICKLIFFE.

RESOLUTIONS OF NEW YORK.

STATE OF NEW-YORK.

EXECUTIVE DEPARTMENT. }
 Albany, May 4, 1840. }

Sir:—I transmit a copy of certain Resolutions of the Senate and Assembly of this State in relation to the National Domain.

I am, very respectfully, your obedient servant,

WILLIAM H. SEWARD.

HIS EXCELLENCY,

The Governor of the State of Indiana.

STATE OF NEW-YORK, }
 IN ASSEMBLY, April 16, 1840. }

Resolved, (if the Senate concur,) That the public lands, the national domain, is the common property of the United States, “and of right constitutes a common fund for their common use and benefit, and ought to be faithfully disposed of for that purpose, and for no other use or purpose whatever.”

Resolved, That we protest against the surrender of this common property of all the States to a portion of them, as unjust in the abstract, as in direct violation of the uses and purposes for which it was ceded to, and the conditions on which it was accepted by, the United States.

Resolved, That we protest against the sale of those lands at a price below the present minimum, as a virtual violation of the trust and pledge under which they were received, as wasting the common fund, and by inducing exhausting emigration from, and as diminishing the value of the old States.

Resolved, That it is not to be endured, that a government free from debt, and at peace with all the world, should use and consume, for its current expenses, the national domain; that the common resources, from imposts and tonnage are abundantly sufficient, when faithfully collected, and prudently and economically applied, for all the legitimate purposes of the common government.

Resolved, That we recommend a separation of the proceeds of the public lands from the general revenue, and an equal distribution thereof amongst the several States, “according to their usual and respective proportions in the general charge and expenditure.”

Resolved, That the Senators and Representatives of New-York, in Congress, will conform to the views and wishes, and promote the interests of the people of this State, by acting in accordance with the foregoing resolutions.

Resolved, That the Governor be requested to forward copies of the foregoing report and resolutions to the Senators and Representatives in Congress from this State, with a request that the same be laid before the Senate and House of Representatives; and also to the Governors of the several States in the Union, with a request to lay the same before their respective legislatures.

By order.

P. B. PRINDLE, *Clerk*.

IN SENATE, April 28, 1840.

Resolved, That the Senate concur with the Assembly in the above resolutions.

By order.

SAM'L G. ANDREWS, *Clerk*,

RESOLUTIONS
OF THE
STATE OF CONNECTICUT.

At a General Assembly of the State of Connecticut, holden at New Haven, in said State, on the first Wednesday of May, in the year of our Lord one thousand eight hundred and forty:

Resolved, by this Assembly, That the Public Lands belonging to the United States, are the common property of all the States, and not of the particular States in which they lie; and that neither said lands or the proceeds thereof, ought to be appropriated for any purpose except for the benefit of all the States.

Resolved, That the proceeds of the Public Lands, not required for the payment of the debts of the Government, or for other public purposes connected with the administration thereof, should of right be divided among the several States of this Union.

Resolved, That this assembly earnestly protest against any reduction in the prices of the Public Lands, as now fixed by law, regarding such a measure as unnecessary and unjust.

Resolved, That this Assembly do request their Senators and Representatives in Congress, to use their exertions to sustain the principles contained in these Resolutions.

Resolved, That His Excellency the Governor be requested to forward copies of the foregoing Resolutions to the Senators and Representatives in Congress from this State, and also to the Executives of the several States, that they may be communicated to the Legislatures of their States respectively.

State of Connecticut, ss.
Secretary's Office, May Session, 1840.

[L. s.] I **HEREBY CERTIFY** that the above is a true copy of Record in this Office. In testimony of which I have hereunto set the Seal of this State, and signed the same.

ROYAL H. HINMAN,
Secretary of State.

PREAMBLE AND RESOLUTION

OF THE

STATE OF CONNECTICUT.

At a General Assembly of the State of Connecticut, holden at New Haven, in said State, on the first Wednesday of may, in the year of our Lord one thousand eight hundred and forty:

WHEREAS our forefathers having freed themselves from the British yoke, and found by experience, the incompetency of the confederation to protect them in their industry, organized this Government for this among other purposes. The Government, true to the principles and objects of its organization, has continued to protect domestic industry; thus affording useful employment to millions; diffusing comfort and happiness throughout the land; and producing that social equality among our citizens on which the Government itself depends. Therefore,

Resolved, by the Senate and House of Representatives of the State of Connecticut in General Assembly convened, That our Senators and Representatives in Congress be requested to resist, by all constitutional means, every attempt to destroy or impair the protective policy of our Government; and to use their exertions to procure the passage of such laws as will effectually protect the labor of this country from the policy and legislation of foreign Governments; and that His Excellency the Governor be requested to transmit copies of this Preamble and Resolution to each of our Senators and Representatives in Congress; and also to transmit copies to the Executives of the several States, with a request that they lay the same before their respective Legislatures, and obtain an expression of their sentiments on the subject.

State of Connecticut, ss.

Secretary's Office, May Session, 1840.

I HEREBY CERTIFY that the above is a true copy of
Record in this office. In testimony whereof
I have hereto affixed the Seal of this State, and
signed the same.

[L. s.]

ROYAL H. HINMAN,
Secretary of State.

RESOLUTIONS OF VERMONT.

Resolved, by the Senate and House of Representatives, That our Senators in Congress be instructed, and our Representatives requested, to use their influence to procure the passage of a law which shall provide for a just distribution, among the several states, of the proceeds of the public lands, agreeably to the terms of the deeds of *cession*, which provide that the lands so ceded, "shall be considered as a common fund, for the use and benefit of all the United States, members of the federal alliance." "and shall be faithfully and bona fide disposed of for that purpose, and for no other use or purpose whatsoever"—and to oppose any measure calculated to promote the eventual surrender of these lands to the States in which they are situated, which would be entirely repugnant to the condition of these grants, and contrary to that principle of equal and exact justice which should characterize all the dealings of the general government with the several states of the Union.

Resolved, by the Senate and House of Representatives, That the Governor be requested to transmit copies of the foregoing resolution to each of our Senators and Representatives in Congress, and to each of the Governors of the States, with a request that they present it to the Legislatures of their respective States.

STATE OF VERMONT

SECRETARY'S OFFICE.

Montpelier, Nov. 20, 1839. }

I certify the foregoing to be a true copy of resolutions passed by the Legislature of said State at their session in October, A. D. 1839.

C. L. KNAPP,
Secretary of State.

OSBORN & CHAMBERLAIN,
PRINTERS TO THE STATE.

REPORT

OF THE

SINKING FUND COMMISSIONERS,

TO THE GENERAL ASSEMBLY.

SAMUEL JUDAH, Esq.,

Speaker of the House of Representatives:

The Sinking Fund Commissioners report their means and liabilities as follows:

MEANS, EXPENSES, &C.

Stock Loans	Indianapolis	branch,	31,053	25	
"	"	Lawrenceburgh,	"	36,213	35
"	"	Richmond,	"	9,080	37
"	"	Madison,	"	33,854	76
"	"	Evansville,	"	16,571	19
"	"	Vincennes,	"	9,081	80
"	"	Bedford,	"	18,202	15
"	"	Terre-Haute,	"	17,123	35
"	"	Lafayette,	"	21,573	55
"	"	Fort Wayne,	"	32,183	26
					224,937 03
		Bank Stock,			880,000
		Current Loans of Sinking Fund,			633,662 75
		Cash balances	"	"	
		Indianapolis	branch,	2,541	56
		Lawrenceburgh,	"	1,698	83
		New Albany,	"	9	70
		Vincennes,	"	45	
		Lafayette,	"	406	38

South Bend, “	44	62	
Michigan City, “	369	68	
S. Merrill, Pr.	48	75	
R. Morrison, Com'r,	1,119	78	
G. P. Buell,	70		
Principal repaid, &c,	9,347	25	15,701 55

Total of means from the loans made under the charter, 1,754,301 33

Bank Stock from Sur. Rev.	419,950	
Surplus Fund, “ “ “	30,479	51
Loans on Sur. Rev. Mortgages,	124,718	97
Principal repaid, &c.	4,322	92
Bank Stock from Loan of 1839,	20,000	

Total, - - - - -	\$2,353,772	73
Expenses of making Loans,	4,799	14
“ transportation of specie,	2,100	69
Current expenses Sinking Fund,	8,415	60
Interest on State Bonds,	369,009	13
Commission on payment of Interest,	173	75
Interest and premium,	14,065	16
Current expenses Surplus Revenue,	3,628	85
Transportation of specie,	1,031	28
Payments to Canal Fund Commissioners,	137,346	02
Interest and premium on Loans of 1839,	639	11
	\$2,894,981	46

LIABILITIES, RECEIPTS, &C.

State Bonds for Bank,	1,390,000	
U. S. Surplus Revenue from Treas'r of Ia.	573,660	11
Part of Loan of 1839,	20,000	
Premium on State Bonds,	29,496	92
Bank Stock Dividends,	497,710	96
Interest on Stock Loans,	66,995	93
“ “ Current Loans,	140,807	96
Dividends on Surplus Revenue Bank Stock,	80,832	90
Interest from Surplus Revenue Loans,	93,284	78
Dividend on Stock of 1839,	966	66
Blank Mortgages,	116	67
Damages,	65	
Cash balances,		
Commissioners Canal Fund,	28	92
Richmond branch,	12	67
Bedford, “	994	15
Madison, “	7	83
	1,043	57

\$2,894,981 46

From the foregoing table it will be seen that the State of Indiana is the owner of the following items:

Bank Stock, - - - - -	\$1,319,950
Estimated value of the state's share of the surplus fund in the Bank, allowing \$90,000 for bad debts, - - -	100,000
Stock loans, all secure, - - - - -	224,937 03
Current loans of Sinking Fund and Sur. Rev. on which the interest unpaid will guaranty all losses of principal, - - - - -	758,381 72
Cash on hand or in Mortgages not yet reported, - - -	20,024 47
Total, - - - - -	\$2,423,293 22
Payments to the Canal Fund Commissioners, - - -	137,346 02
	\$2,560,639 24

The means from which the above has been realized are State Bonds under the Charter, - - -

	\$1,390,000
Two instalments of Surplus Revenue from Treasurer of State, - - -	573,660 11
Part of loan of 1839, - - -	20,000
	1,983,660 11

So that the State has actually realized from the Bank \$576,979 13 while only State Bonds and one instalment of Surplus Revenue have been advanced.

On the 23d of May last the lands of fifty-six borrowers were exposed to sale for non-payment of interest. In seven of the cases sales were made; in the others, the lands were struck off to the state for want of bidders. Eight of the tracts not sold have since been redeemed. There are still unredeemed, nine tracts in each of the counties of Marshall, Warren and Tippecanoe—two in each of the counties of Cass, Marion and Ripley—and one in each of the counties of Laporte, White, Shelby, Daviess, Carroll, Hamilton, Montgomery and Hendricks. Most of these mortgaged premises have either been personally examined or such enquiries have been made respecting them as to give assurance that the money will be eventually secure. Where the mortgagors are solvent, recourse will be had to their Bonds and in this way several of the loans can be collected without waiting for a sale of the lands. By a false certificate of Jeremiah Muncy, late clerk of Marshall county, his mortgage was taken for \$500, while there was a lien on the land mortgaged. This lien has been removed at the expense of \$250, but the land is so valuable that very little if any loss will be sustained. It is understood that two tracts in Warren county and one in Clay, were appraised so much above their real value that they are not a sufficient security for the sums loaned. Only one of them has yet been offered for sale and struck off to the state and this has two obligors in the bond, one of whom is solvent.

From the best information which the Commissioners of the Sinking

Fund can obtain there will not be any considerable losses. The loans of the year 1835 are now being generally renewed by the payment of one fifth of the principal, which with the funds coming from other sources, will be loaned in those parts of the state which have not heretofore been accommodated.

The Surplus Revenue loans have been called in as opportunities offered and the avails vested in Bank stock.

S. MERRILL,
R. MORRISON,
C. FLETCHER,
G. P. BUELL,
J. WALKER,

} *President and Com-
missioners of the Sink-
ing Fund.*

Sinking Fund Office, Dec. 12, 1840.

LIST OF VOTES GIVEN

FOR AND AGAINST

A REVISION OF THE CONSTITUTION.

Laid on the table and one hundred copies ordered to be printed.

INDIANAPOLIS, DEC. 14th, 1840

SAM'L JUDAH, Esq.,

Please lay before the House the following return of the votes given for and against the call of a Convention to revise the Constitution of Indiana.

I am very respectfully,

Your obedient servant,

WM. J. BROWN,
Secretary of State.

A LIST

Of the votes given in the several counties in this State for and against a call for a Convention to amend the Constitution of the State of Indiana.

COUNTIES.	CONVEN TION.	NO CON- VENTION.	COUNTIES.	CONVEN- TION.	NO CON- VENTION.
Allen, - - -	39	664	Marshall, - -	33	290
Bartholomew, -	26	272	Marion, - - -	268	1,866
Blackford, - -	32	150	Martin, - - -	173	300
Brown, - - -	112	196	Miami, - - -	52	433
Carroll, - - -	122	1,047	Monroe, - - -	293	1,008
Cass, - - -	17	173	Montgomery, -	207	2,366
Clark, - - -	146	1,034	Morgan, - - -	191	1,681
Clay, - - -	151	517	Noble, - - -	54	179
Clinton, - - -	78	459	Orange, - - -	430	1,171
Daviess, - - -	17	152	Owen, - - -	505	768
Dearborn, - -	709	2,406	Parke, - - -	306	1,961
Decatur, - - -	318	1,284	Perry, - - -	55	446
DeKalb, - - -	46	165	Pike, - - -	109	634
Delaware, - -	132	1,078	Porter, - - -	99	200
Dubois, - - -	164	208	Posey, - - -	126	1,252
Elkhart, - - -	143	586	Randolph, - -	83	1,079
Fayette, - - -	130	1,520	Rush, - - -	345	2,407
Floyd, - - -	56	852	Wells, - - -	12	171
Franklin, - -	180	1,029	Scott, - - -	137	600
Fulton, - - -	37	284	Shelby, - - -	689	1,326
Gibson, - - -	106	1,319	Spencer, - - -	130	636
Grant, - - -	74	571	St. Joseph, - -	126	657
Greene, - - -	132	525	Steuben, - - -	203	151
Hamilton, - -	348	1,135	Switzerland, -	53	1,438
Harrison, - -	194	1,240	Tippecanoe, -	276	1,673
Hendricks, - -	491	1,350	Vanderburgh, -	126	588
Henry, - - -	153	2,185	Vermillion, - -	105	1,269
Jackson, - - -	154	638	Vigo, - - -	323	1,454
Jefferson, - -	244	1,340	Wabash, - - -	32	307
Jennings, - -	144	875	Warren, - - -	108	1,007
Johnson, - -	155	1,229	Warrick, - - -	137	820
Kosciusco, - -	49	470	Washington, -	536	1,812
Lake, - - -	104	124	Whitly, - - -	55	105
Laporte, - - -	272	884			
Lawrence, - -	407	1,207	Total, - -	12,277	61,721
Madison, - - -	218	491			

No returns have been received from the following counties, to wit: Adams, Boone, Benton, Crawford, Fountain, Hancock, Jay, Lagrange, Pulaski, Putnam, Sullivan, Union, Wayne, and White.

All of which is respectfully submitted.

WILLIAM J. BROWN,
Secretary of State.



Doc. No. 13.]

[H. of R.

CONDITION

OF THE

STATE BANK OF INDIANA,

ON NOVEMBER 21, 1840.

Three hundred copies ordered to be printed.

OSBORN & CHAMBERLAIN,

Printers to the State.

\$6,670,761 55

on November 21, 1840.

Capital stock paid in by the state,	\$1,304,950 00	
“ “ “ “ “ by individuals,	1,366,668 75	
		\$2,671,618 75
Discounts, &c. - - -		15,282 87
Dividend not drawn, - - -		34,805 73
Tax for school purposes, - - -		7,212 51
Surplus fund, - - -		296,771 10
Sinking fund, and other cash items,		132,959 90

DEPOSITES BY AND DUES TO OTHER BRANCHES AND BANKS, VIZ:

To branches from other branches,	34,416 09
----------------------------------	-----------

TO OTHER BANKS FROM BRANCHES, VIZ:

From branch at Indianapolis, - -	1,648 78	
Lawrenceburgh, - -	34,970 51	
Richmond, - -	1,982 64	
Madison, - -	47,213 80	
New Albany, - -	36,356 45	
Evansville, - -	12,291 31	
Vincennes, - -	3,542 36	
Bedford, - -	1,852 21	
Terre-Haute, - -	5,261 56	
Lafayette, - -	1,227 16	
Fort Wayne, - -	150 00	
South Bend, - -	470 31	
Michigan City, - -	1,862 65	
		148,829 74
Circulation, - - -	2,865,568 00	
Between the branches, - - -	165,524 00	
		3,031,092 00
Individual deposits, - - -		297,772 86
		\$6,670,761 55

JAMES M. RAY, *Cashier.*



OFFICERS AND COMPENSATION.

 STATE BANK.

Samuel Merrill, President,	-	-	-	-	-	-	\$1,500
James M. Ray, Cashier,	-	-	-	-	-	-	1,500
Jacob B. M'Chesney, Clerk,	-	-	-	-	-	-	200

 BRANCHES.

Indianapolis.

Hervey Bates, President,	-	-	-	-	-	-	500
B. F. Morris, Cashier,	-	-	-	-	-	-	1,500
T. H. Sharpe, Teller,	-	-	-	-	-	-	1,200
J. P. Southard, Clerk,	-	-	-	-	-	-	500

Lawrenceburgh.

D. S. Major, President, (salary not fixed)							
W. B. Thurston, Cashier,	-	-	-	-	-	-	1,000
H. K. Hobbs, Book Keeper,	-	-	-	-	-	-	500

Richmond.

A. C. Blanchard, President,	-	-	-	-	-	-	500
Elijah Coffin, Cashier,	-	-	-	-	-	-	1,500

Madison.

J. F. D. Lanier, President,	-	-	-	-	-	-	1,000
John Sering Cashier,	-	-	-	-	-	-	1,500
J. C. Lea, 1st. Clerk,	-	-	-	-	-	-	700
S. B. Sering, 2d. do	-	-	-	-	-	-	400

New Albany.

Mason C. Fitch, President,	-	-	-	-	-	-	1,000
James R. Shields, Cashier,	-	-	-	-	-	-	1,500
V. A. Pepin, 1st. Clerk,	-	-	-	-	-	-	800
William E. Fitch, 2. do	-	-	-	-	-	-	500

Evansville.

John Mitchell, President,	-	-	-	-	-	-	
John Douglass, Cashier,	-	-	-	-	-	-	1,200
Horace Dunham, Clerk,	-	-	-	-	-	-	600

Vincennes.

D. S. Bonner, President,	-	-	-	-	-	-	
John Ross, Cashier,	-	-	-	-	-	-	1,200
G. W. Rathbone, Clerk,	-	-	-	-	-	-	600

Bedford.

William McLane, President,	-	-	-	-	-	-	700
D. R. Dunihue, Cashier,	-	-	-	-	-	-	1,000
Isaac Rector, Clerk,	-	-	-	-	-	-	400

Terre Haute.

Demas Deming, President,	-	-	-	-	-	-	1,000
A. B. Fontaine, Cashier,	-	-	-	-	-	-	1,200
Nathaniel Preston, Clerk,	-	-	-	-	-	-	800

La Fayette.

J. S. Hanna, President,	-	-	-	-	-	-	400
R. Mullikin, Cashier,	-	-	-	-	-	-	1,300
A. P. Linn, Teller,	-	-	-	-	-	-	900
G. H. Harris, Book Keeper, Notarial fees,	-	-	-	-	-	-	

Fort Wayne.

Allen Hamilton, President,	-	-	-	-	-	-	
Hugh McCulloch, Cashier,	-	-	-	-	-	-	1,200
M. W. Hubbell, Teller,	-	-	-	-	-	-	850

South Bend.

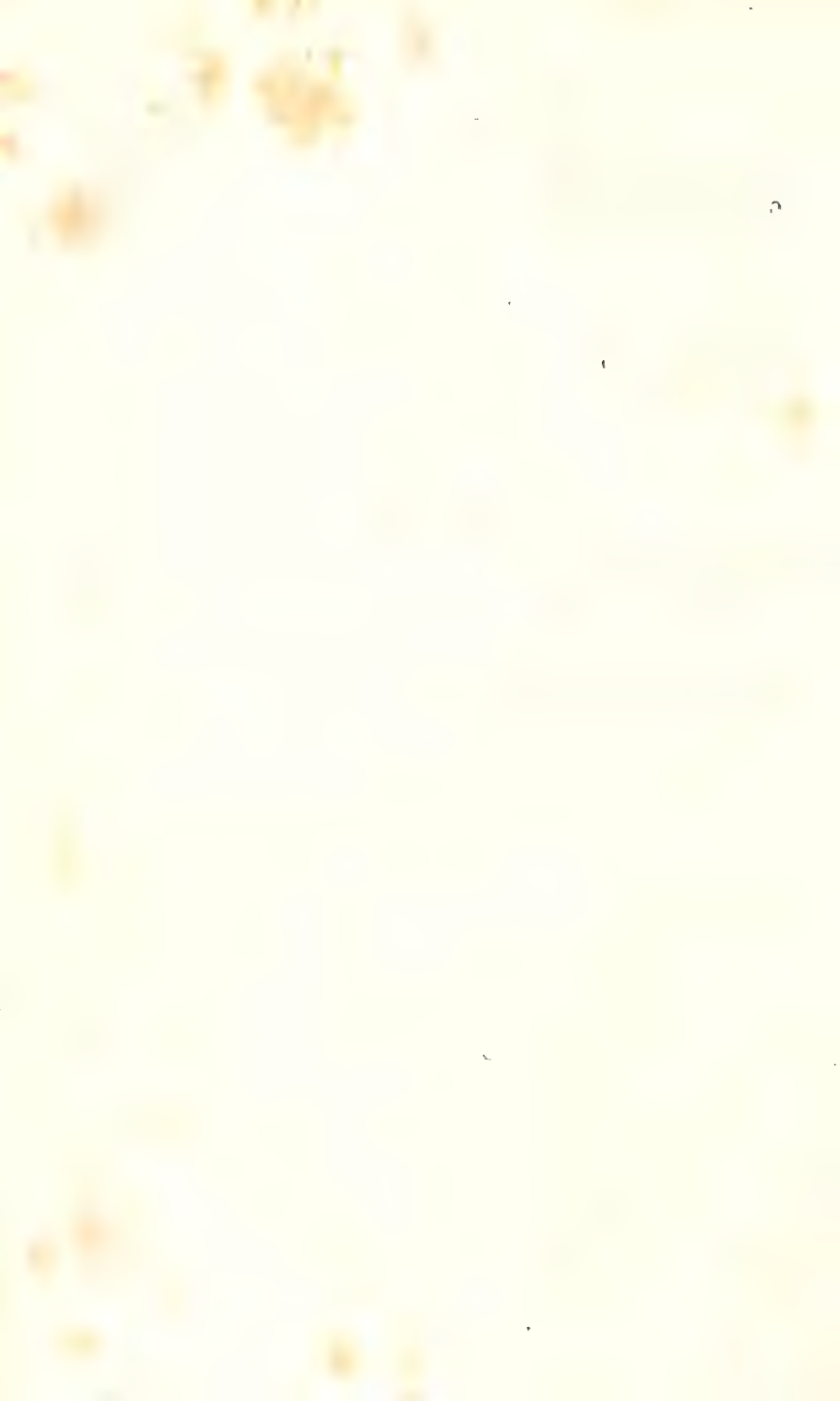
Tyra W. Bray, President,	-	-	-	-	-	-	
Horatio Chapin, Cashier,	-	-	-	-	-	-	1,100
John Grant, Teller,	-	-	-	-	-	-	900

Michigan City.

Joseph Orr, President,	-	-	-	-	-	-	500
A. P. Andrews. jr. Cashier,	-	-	-	-	-	-	1,200
Samuel Gorden, jr. Teller,	-	-	-	-	-	-	600

JAMES M. RAY, Cashier.

OFFICE OF THE STATE BANK OF INDIANA, }
 Indianapolis, December 12, 1840 }



REPORT OF THE COMMITTEE
OF THE
STATE BANK OF INDIANA,

Laid on the table and 200 copies ordered to be printed.

Mr. SPEAKER:

The committee on the State Bank to whom was referred that portion of the late Governors Message, which relates to the debt due the State Bank, have had the same under consideration, and have bestowed upon it that attention which its importance seemed to require. Your committee do not regard it as necessary to advert to the manner in which this indebtedness originated, further than to state that it was created principally by advances of cash on the part of the Bank, through its Branches, to the Board of Fund Commissioners in the year 1839, under an arrangement subsisting between them, and which were to be reimbursed by drafts payable in the eastern cities, some sixty days after the advances were made by the Bank to the Board of Fund Commissioners. These advances, including interest, amounting to about \$692,000 have never been repaid to the Bank. The justice of the claim is not questioned; and had the means of payment been at the command of the Board, it would have been discharged. At a period of such general embarrassment as has visited the country for the last few years, to be deprived of so large an amount of its active means, has operated not only injuriously to the interests of the Bank, but to the citizens of the State. The effect of this indebtedness has been to curtail to an equal amount the discounts the Bank could otherwise have made to her customers, and consequently has withdrawn thus much of her means, which might have been employed in carrying forward the active business of the country. To preserve to the Bank a healthful, a sound condition, it is essential her funds should be kept in active employment, and in a situation where they can be commanded on an emergency, at short periods. An observance of

this policy is of primary importance in maintaining the ability of the Bank to meet promptly its engagements, extending the sphere of her usefulness, and entitling her to the greatest degree of public confidence. And at no period has this been more manifest than under the circumstances which at present surround her. A return to specie payments during the ensuing month by the eastern banks, which is looked for, must speedily, if not simultaneously, be followed by a like movement with those in the west.

The situation of the State Bank of Indiana, resulting from her *ordinary* operations, it is confidently believed, is as sound and healthful as any banking institution in the West. And could she possess herself of the debt due from the State in the early part of the coming year, she would be enabled not only to keep up her present line of discounts, but prudently extend them; and thus afford additional facilities to all the active business operations of the country. If a considerable portion of this debt cannot be made available, from necessity the amount of her circulation must be lessened, and a contraction in her business follow, and instead of adding to, must draw from, the citizens a supply of funds equal to what her necessities may require to sustain herself. These results your committee conceive to be so manifest that they do not hesitate in recommending, that some early Legislative provision may be made, authorizing the negotiating of a loan, as soon as can be effected under favorable circumstances, to liquidate the debt; or that six per cent bonds, in other respects similar to those authorized to be issued by the Fund Commissioners under the act providing for a general system of Internal Improvement, to an amount equal to the principal and interest due, may be delivered to the Bank at par, in payment of the debt; if she will receive the same. With these securities in her possession, if not equal to the money due, they afford facilities for negotiating the means which would probably be sufficient, to enable her to meet the demands arising from a resumption of specie payments, and continue her usual course of business.

In recommending this action to the House, your committee have not confined their views to this item of the States indebtedness alone, nor would they be considered as giving a preference to the legislation of this claim over others. They believe the best interests of the State require, that the same legislative provision should be made at as early a day as practicable, for the redemption of the out standing Treasury Notes, for the payment of the balance due to contractors on the public works; and for work done on the Wabash and Erie canal the present year, also for the interest accruing on the State debt the coming year, and not provided for by the last Legislature. And to enable the State to fund these liabilities, by a sale of state bonds on advantageous terms, it is absolutely necessary that the classification of the Public Works be put upon a permanent footing, and their further prosecution graduated to, and controlled by the means the State shall possess, *after her current expenditures, and annual interest are provided for*, by marshalling together all the available funds of the State, that can be made productive, and legally appropriated to this object, and ample

provision is made for the balance of the annual liabilities that shall remain, by an efficient system of taxation. Without this being done, the credit of the State, it is believed, can not be placed on a permanent basis. Upon that credit is dependent measurably the further sale of our stocks; and but for the hope, that it is to be sustained unimpaired, your committee would have deemed the measure they recommend, *inexpedient*. Relying, therefore, upon a course of legislation in unison with these views a majority of the committee direct me to report, as one of the measures of relief to the present embarrassments of the State, the accompanying bill.

R E P O R T

OF THE

AUDITOR OF STATE

*Providing for a cheaper and more equitable mode
of levying and collecting the Public Revenue.*

AUDITOR'S OFFICE, }
DEC. 29, 1840. }

In obedience to a resolution of the House of Representatives, requesting the Auditor of Public Accounts to submit the synopsis of a bill, for a more equitable and cheaper mode of assessing and collecting the revenue, the following is submitted.

Document, No. 1, is a bill to value the property of this State. Such a law as this has never been enacted in this State. The necessity of it, however, will be apparent to all, upon an examination of my annual report. In that, it will be seen, that the valuation of the same county varies from year to year, sometimes less and sometimes more, the same may be seen as to the quantity of lands and other taxable property; but especially will it be seen that no uniformity of valuation prevails in different counties. Counties adjoining and similarly situated will vary thirty per cent, and in some the valuation will be found one hundred per cent. lower than counties inferior in advantages and soil. Then to cure this radical defect in our present system, it is necessary to have placed on the duplicate of the proper county all the real estate made taxable by law, and a fair valuation affixed upon it; that this valuation shall be corrected by a judicious board of equalization for the county, and in order that justice be done to all the counties, that there shall be no motive left for each county to undervalue its real estate, a State Board of equalization is necessary. This is provided for in the bill, and conforms in all of its provisions to the law of Ohio on that subject. This valuation of real estate, it will

be seen, is not to be repeated annually, but when once the real estate is properly listed and valued, it will remain at that valuation until the legislature shall deem it necessary to have a re-valuation, which need not be oftener perhaps than once in five years.

Should the Legislature adopt it or something similar in its provisions, I have no doubt but it will effect all that is claimed for it. Its necessity and practicability has been fully tested by Ohio, and there, it is considered an indispensable part of the revenue laws of that State.

Document No. 2, is a bill prescribing the duties of county Auditor. Heretofore the clerks of the counties have not only discharged the duties of clerks to the circuit court and probate court, but clerks to the board doing county business and county auditor. Their duties have so much increased, that in almost every county it will be found that deputies are necessarily employed to keep up the business. The business of the county is considered of least importance, and the important duty of making out the duplicate of taxes is generally transferred to an inexperienced deputy, who neither knows nor feels the importance of having it correct. Where this is not done, the duplicate is withheld from the collector for months beyond the period prescribed by law, for delivering it—a delay injurious alike to the county, state, and collector, but which may be unavoidable on the part of the clerk, as he must necessarily give a great portion of his time to the duties pertaining to the circuit and probate courts. In most counties those duties of the clerk pertaining to county business, are considered burdensome for the fees attached to them are uniformly low, and if attended to properly, would require a large portion of the time of one man. By the adoption of this measure, the expenses of the county are not increased, as it is proposed to allow no more to county auditors than is now given to the respective clerks for the same duties. This division, I deem necessary to the correct and efficient management of county business; but especially is it necessary to the state, in having a correct assessment and collection of state revenue. This law is also a part of the Ohio system of county business. The auditor of that state in answer to my question, “Do you consider a county auditor necessary?” Answers—“I unhesitatingly answer in the affirmative. The business of this state for many years was done by the clerks, and became each year, as the population increased and the lands came into taxation, more confused. I consider the change the best one made for many years in our revenue laws; and such is the sentiment of our people; as well as our public authorities.” I hope that the apparent novelty of this measure will not deter the legislature from its adoption. I consider it a change indispensable to the correct discharge of county business; and one, without which, whatever other wholesome provisions may be introduced into our revenue laws, will leave our system incomplete.

Document No. 3 is a bill for the election of County Assessors. This bill defines the duties of the assessor, and renders him liable for abuse or neglect of duty. It is for the General Assembly to say whether this officer shall be elected by the people or appointed by the board do-

ing county business. In Ohio, they have long been elected by the people, and so far as my observation goes, I think the people could not make worse selections than those made by the boards doing county business. I judge from the returns of the last ten years to this office. In answer to my inquiry of the Auditor of Ohio "Do you think from experience you get as good assessors and county Treasurers by *election*, as if they were appointed by county commissioners;" he replied that "I think the advantage is on the side of election. This class of officers are at this time, and since my connection with business have been, very well qualified, and discharge their duties faithfully.—We have exceptions, but no more than if they were appointed. As a general rule, in my view, it is more difficult for an incompetent man to pass the ordeal of the people, than to procure through favoritism or corruption an appointment from three individuals."

Document No. 4 is a bill prescribing the duties of county Treasurer. By this bill, the county Treasurer is made the collector of State and county revenue. Instead of visiting each tax payer at his place of residence, it is made his duty to wait upon the people of each township certain days, and afterwards keep his office open for the receipt of taxes in the seat of justice; but if after the first of December, annually, the taxes remain unpaid, the treasurer is allowed travelling fees to be paid by the individual. By this bill the per cent. for collection is graduated, and reduced, by which there will be a saving to the state of at least ten thousand dollars per annum on the commission alone. No fears need be entertained that this great reduction will deprive the state and county of efficient county treasurers. The office will be worth upon an average, not less than nine hundred dollars, a sum quite sufficient to command the services of the best business talents of a county. It cannot be urged that in giving the collection of the revenue to the county treasurer, there will be no one left to make settlement with him. The proper checks upon the treasurer are amply provided in the bill defining the duties of county auditors. No money can be received by him, without being charged against him by the auditor of the county. Nor can any payments be made without a like order of the county auditor. The provisions of this bill are essentially the same as those of the Ohio law on that subject—they have been fully tested in that state, and contrasted with our present expensive system, we hazard nothing in adopting them.

Document No. 5 is a bill pointing out the mode of levying taxes.—The objects of taxation are the same as those of the present law—but the duties of the different officers connected with the levying and assessing the taxes are more specifically provided for in this bill than any law heretofore in force in this state.

Document No. 6 is a bill to tax the individual stock in the several branches of the State Bank of Indiana. If this bill is adopted, the State will be certain of all the stock being assessed, and will save the per cent. for collection. Much collision will be saved between the State and County authorities, and Bank. Besides, should the State

and Bank disagree as to the power of the State to tax the stock, a concise remedy is provided for testing the legal question involved.

Document No. 7 is a bill levying the tax for State and Internal Improvement purposes. As this question is one that necessarily involves differences of opinion, it was thought best that the bills intended to define the duties of officers in the collection of the revenue, should not be embarrassed with the question as to the amount to be levied. It is not to be expected, that in the preparation of these bills, it has been in my power, to perfect all their provisions; some omissions no doubt will be found, and would time permit, I would gladly revise them. Neither has it been in my power for the want of time, to prepare specimens of the various forms which it will become the duty of the Auditor, under these bills, to provide for the several county officers. These, however, will be supplied, should the system meet with your favorable consideration.

Respectfully submitted,

MORRIS MORRIS, A. P. A.

A BILL

To value the property of this State.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana,* That the Board doing county business of each and every organized county in this State, shall, at their first term after the passage of this act, appoint some suitable person, resident in such county, as appraiser of the real estate in such county; and if a vacancy shall at any time happen in the office of appraiser as aforesaid, for any cause whatever, before the duties required of such appraiser, shall be fully completed, then and in that case the said court, at any regular session or at any special session thereof, shall fill such vacancy, and the appraiser so appointed, shall hold his office until the first day of March, 1842, if he shall so long behave well: *Provided,* That nothing in this section shall prevent the Board doing county business of any county from appointing such assistants to the appraisers as they may think proper.

SEC. 2. That the appraiser so appointed, shall, previous to entering on the duties of his said office, enter into bond with at least two good and sufficient securities, such as shall be approved by the county Board of such county, in the penal sum of two thousand dollars, which bond shall be made payable to the State of Indiana, conditioned that said appraiser shall do and perform all the duties of his office agreeably to law, which bond shall be deposited with the county auditor; and said appraisers shall moreover take and subscribe an oath or affirmation, to be endorsed on his bond, that he will faithfully and impartially perform the duties of his said office to the best of his skill and ability.

SEC. 3. That if any person appointed appraiser as aforesaid, shall not, within ten days after his appointment give bond and security, or shall not take the oath or affirmation as required in the preceding section, the said office shall be considered vacant, and the Board doing county business shall proceed to fill the same as in other cases.

SEC. 4. That the County Auditor of each county shall, on or before the first day of April next, prepare a copy of the list of all lands and town lots entered on the duplicate of the preceding year, noting thereon all transfers which may have been made subsequent to the making out of such duplicate, and shall also enter thereon all new entries and other lands and town lots lying within his county, which may come to his knowledge, and not previously entered for taxation, which shall be delivered to the appraiser on application, together with a map of each township, and a plat of each town in the county,

of such form and size as may be necessary to enable such appraiser to discharge his duties in the manner prescribed in this act.

SEC. 5. That the appraiser shall, immediately after the first day of April, and before the twenty-fifth day of September next, proceed to list and appraise all real estate in his county subject to taxation, by an act pointing out the mode of levying taxes and fixing the per centum, for State purposes, approved February 15th, 1839.

1st. The said appraiser shall, upon actual view, make a true valuation of all lands, together with the improvements and buildings thereon or affixed thereto, at their full value in money, as he would appraise the same in the payment of a just debt due from a solvent debtor, taking into consideration the fertility and quality of the soil, the vicinity of the same to Rail-roads, McAdamized, Clay, Turnpike, State or County roads, town or villages, navigable rivers, water privileges on the same or in the vicinity of the same, the location of the route of any canal or canals, with any other local advantages of situation: *Provided*, That said appraiser shall also value all lands at their cash value, without taking into consideration any improvements that may be made thereon, and this valuation, as well as the valuation with improvements, shall be set down in a proper column to be left for that purpose.

2nd. In-lots and out-lots in all towns and villages, with the improvements made thereon or affixed thereto, shall be valued at their true value in money, taking into consideration all the local advantages of situation—to be valued upon actual view of the premises.

SEC. 6. That the appraiser shall call upon each and every person resident in his county, for a list of all lands or town in-lots and out-lots, owned by such person or persons, lying within his county, which may be subject to taxation, which list shall particularly set forth the names of the owner or owners, the number of acres of land in each particular tract, lot, section or subdivision thereof, the range, township, section, quarter section, tract, lot or part thereof, or the number of entry, location, or survey and water course, as the nature of the general or particular survey may require, so as to designate and identify the same; and in the French and English grants or Clark's grant shall set forth the quantity of land contained in the original survey, of which the tract listed is a part, subject to the provisions of the eighth section of this act, the number of entry, water course, and name of the original proprietor; also, all in-lots and out-lots, owned or held as aforesaid, with the number thereof, as described on the recorded plat of said town, or part thereof, if it has been subdivided.

SEC. 7. That if the owner or owners of any property required to be listed and appraised by the preceding sections of this act, shall be absent or unable to give in a list thereof when called upon by the appraiser, or if the owner or owners thereof shall not reside within the county, or shall fail to deliver to such appraiser a list of his or their property as aforesaid, it shall be the duty of such appraiser to make a list thereof, according to the best information he can obtain, subject to the provisions of the eighth section of this act, in the name of the

owner, if known, or in the name of the person to whom the same is now listed; but if it be not listed, and the owner's name be unknown, then it shall be noted that the owner is unknown, in the column of names.

SEC. 8. That the appraiser in ascertaining or determining the quantity of land in the several tracts within his county, shall be governed by the following rules: whenever the owner or the person in whose name it is listed, shall hold, by virtue of a deed from another party, or from the state of Indiana, or by patent from the United States for Congress lands, such deed or patent, if the quantity be therein stated, shall be taken and received as the evidence of the quantity in the tract described; if the owner or person in whose name any lands are listed within the French, English or Clark's grant, shall hold, under an original entry or survey with or without the patent thereon, it shall be the duty of the appraiser to require said owners or holders to cause the same to be surveyed by the county surveyor, or some other competent person, and to return the quantity under the certificate of said surveyor, attested by oath or affirmation, within sixty days after said owners or holders shall have been called upon to list their lands for taxation; and if any such owner or holder shall refuse or neglect to survey and list his lands as herein provided, or if he or they be a non-resident of the county, then it shall be the duty of the appraiser to cause such lands to be surveyed and returned to himself; the expenses of which survey shall be paid from the county treasury and be by the county Auditor assessed against such lands in the succeeding year, and collected in the same manner as taxes are collected thereon: *Provided*, That if any owner or holder of lands has had the same previously surveyed, and shall produce to the appraiser a certificate of survey other than that under the original entry of said lands, such survey shall be taken by the appraiser as if the same had been made under the provisions of this act, or if the appraiser shall be satisfied from other competent evidence adduced to him under oath, that the quantity returned is correct and that no surplus exists in the original survey, he shall enter and return the same without further survey for taxation.

SEC. 9. That the appraiser shall, in listing and valuing the lands in his county, mark distinctly on his maps, the name or the initials of the name of the person in whose name the same is listed, and the quantity thereof; and on the return of said list by the appraiser, to the county auditor's office, it shall be the duty of the appraiser and auditor diligently to compare the maps, tract books, and duplicate of the preceding year with the lists returned by the appraiser, and ascertain, so far as may be in their power, that all the lands in their county, subject to taxation, are entered on said list.

SEC. 10. That the appraiser shall complete his list taken as before provided, by placing on the same opposite to each tract of land listed, the value without improvements, and also in another column opposite, the value of the improvements erected thereon or affixed thereto; and opposite to each town lot or part of lot, the value of such lot or

part of lot appraised, with the buildings and all other improvements erected thereon or affixed thereto.

SEC. 11. That the appraiser shall, at the time of making the appraisal, and taking the lists required by the preceding sections of this act, inform the owner or owners, his, her or their agent or representative, if residing within the county, or shall leave a memorandum at his, her or their place of residence, of the amount at which their property has been appraised respectively, and of the time when the special board of equalization for the county, will meet for the purpose of hearing and determining grievances, and to equalize taxes within the same.

SEC. 12. That the appraiser shall, on or before the first Monday of November next, make out from the list and appraisements, taken and made as is herein before provided, a fair and correct abstract thereof, by townships, which abstract said appraiser shall deliver to the county auditor, which shall be kept at the office of the said county auditor for the inspection of any owner of property contained on such abstract, until the third Monday of November aforesaid; and it shall be the duty of the county auditor to give four weeks public notice, by advertisement in a newspaper, if one be printed in the county, or if no newspaper be printed in the county, by advertisement set upon the door of the court house, and at some public place in each township, of the time and place, when and where, the special board of equalization for each county will meet for the purpose of hearing and determining grievances, and to equalize taxes thereon.

SEC. 13. That the Board doing county business, County Auditor and appraiser or appraisers of each county of this State, shall constitute a special board of equalization, for such county, on the third Monday of November next, and the county Auditor shall produce to said board, the abstract returned to him by the appraiser; and said board, or a majority of them, shall have power to hear and determine the complaint of any owner or owners, his, her, or their agent, or representative of any property contained on said abstract, which may have been listed and appraised by such appraiser, relative to the listing and appraisal thereof, and to correct the same, as right and justice may require; and said board of equalization shall moreover have power to equalize the valuations made by such appraiser as herein before provided, either by adding to or deducting from any valuation made as aforesaid, such sum as to them, or a majority of them, shall appear just and equitable.

SEC. 14. That the county Auditors of the several counties shall correct the said abstract, agreeable to the orders and determinations of the board of equalization for their respective counties, and said county Auditor shall make, from such corrected abstract, a general abstract of all property contained therein, and insert the corrected valuation in the proper column; which general abstract, said Auditor shall certify and forward to the Auditor of State, by the county Treasurer of his county, at the time he is required by law to make his annual

settlement with the State Treasurer, or by some suitable person, on or before the 15th day of January, 1842.

SEC. 15. That there shall be appointed by joint resolution of both Houses, during the present session of the General Assembly, one person, resident of each Senatorial district, who, together with the Auditor of State, shall constitute a board of equalization for the State, which board shall assemble at Indianapolis, on the fourth Monday of January, one thousand eight hundred and forty-two, and when so met shall have power to equalize the valuation of the real estate in the several counties throughout the State, which they shall do by adding to, or deducting from the valuation thereof, made by the appraiser, and corrected by the county board of equalization as herein before provided for, by adding to, or deducting from such per centum as to them shall appear just and reasonable; *Provided*, Said board shall not lessen the aggregate valuation of the State.

SEC. 16. That the auditor of state shall make a record of the per centum, to be added to, or deducted from the valuation of the real property in the several counties of this state, in conformity with the orders of the state board of equalization, and shall transmit to the county auditors of the several counties of this state, the per centum so ordered, to be added to, or deducted from the valuation of real property therein, as aforesaid; and the several county auditors in whose counties additions or deductions shall have been made by the state board of equalization, shall correct the valuation of real property therein, in conformity therewith: *Provided*, That said county auditors, in correcting the valuations aforesaid, shall set down no fraction of a dollar; but if a fraction occurs of fifty cents and upwards, such fraction shall be increased to one dollar, and if such fraction be less than fifty cents, it shall be omitted.

SEC. 17. That the county auditors of the several counties within this state, in making out duplicates and charging taxes thereon, for the year one thousand eight hundred and forty-two, and annually thereafter, shall make out and charge the same from the general abstract as herein before provided.

SEC. 18. That the Board doing county business, county auditor and county assessor shall constitute a county board of equalization, in their respective counties, and they, or a majority of them, shall meet on the first Monday of June, one thousand eight hundred and forty-two, and annually thereafter, for the purpose of hearing complaints and equalizing the assessments, and re-valuations of all real and personal property within such county: *Provided*, That said board shall, in no case, reduce the aggregate value of real property within such county, as originally assessed by the state board of equalization.

SEC. 19. That the appraiser in each county appointed, in conformity with this act, shall receive for each day he shall be employed, in performing the duties herein required of him, the sum of two dollars, and the members of the special board of equalization, for the several counties, shall receive the sum of two dollars for each day they may be necessarily employed in the discharge of the duties required of

them, by this act, to be paid out of the respective county treasuries; the members of the state board of equalization, shall receive the sum of two dollars for each day they shall respectively be employed in the discharge of the duties required of them, by this act, and also the sum of two dollars for every twenty-five miles travel, to and from the seat of government, to be certified by the governor, and paid out of the state treasury, on the order of the auditor of state.

SEC. 20. Should the board doing county business neglect or refuse to appoint the county appraiser as provided for in the 1st section of this act, at their first meeting after the passage of this act, then said board shall appoint said appraiser at any regular or special term or meeting of said board.

SEC. 21. That all the duties enjoined upon the county auditor in this act shall continue to be discharged by the clerks of the respective counties, until a county auditor is elected and qualified, and when so elected and qualified such clerk shall hand over to him all books, papers, and vouchers necessary to the discharge of the duties of his office.

A BILL

Prescribing the duties of County Auditor.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana,* That there shall be elected by the qualified electors of each organized county in this State, on the first Monday in August, biennially, one county Auditor for each county, who shall hold his office for two years, from the first day of March next succeeding his election, and until his successor is elected and qualified, and shall keep his office at the seat of justice of his county.

SEC. 2. That the county Auditor, previous to entering on the duties of this office, shall give bond with two or more securities, to the acceptance of the county commissioners of the proper county, in the penal sum of two thousand dollars, payable to the State of Indiana, and conditioned for the faithful discharge of the duties of his office; and shall also take and subscribe an oath or affirmation, to be endorsed on said bond, that he will faithfully and impartially discharge the duties of his office to the best of his skill and ability, which bond, so endorsed, shall be deposited with the county Treasurer, and be by him carefully preserved.

SEC. 3. That suit may be instituted on such bond, against the county Auditor and his securities, in the name of the State of Indiana, and for the use of the State, county, or any party or person injured by the misconduct in office, of the Auditor, or by the omission of any duty required of him by law.

SEC. 4. That if any person elected to the office of county Auditor shall not give bond, and take the oath or affirmation as required in the second section of this act, on or before the first Monday of March next, after his election, the office shall be considered vacant.

SEC. 5. That when a vacancy shall happen in the office of county auditor, either from death, removal out of the county, resignation, failure to give bond, or from any other cause, the county commissioners of the proper county shall appoint some suitable person to

fill such vacancy; and the person so appointed shall give bond, and take and subscribe an oath or affirmation, as required in the second section of this act, and shall hold his office until the next annual election to be held in such county, and until his successor shall be elected and qualified.

SEC. 6. That when any county auditor, having no deputy, shall be unable, by reason of sickness, to perform the duties of his office, within the time specified by law for their performance, or when both the auditor and his deputy shall be so disabled by sickness, the county commissioners of the proper county, shall appoint some suitable person to do and perform the duties of county auditor, during such disability, and may require of the person so appointed, such bond and security, for the faithful discharge of the duties of the appointment, as they shall deem expedient.

SEC. 7. That no judge of the supreme court, or of the circuit court, or clerks of either of said courts, county commissioner, county recorder, county surveyor, or county treasurer, shall be eligible to the office of county auditor.

SEC. 8. That the county auditors and their deputies, are hereby authorized to administer any oath or affirmation rendered necessary to the performance of any of the duties of their respective offices.

SEC. 9. That the county auditor shall, by virtue of his office, be clerk to the board of county commissioners of his county, and shall keep an accurate record of all their corporate proceedings, and shall carefully preserve all the documents, books, records, maps, and other papers, required to be deposited or kept in his office.

SEC. 10. That each county auditor, on going out of office, shall deliver up to his successor in office, all the books, records, maps, documents, papers, vouchers, and other property in his hands, belonging to the county; and in case of the death of any county auditor, his personal representative shall, in like manner, deliver up all such books, records, maps, documents, and other property.

SEC. 11. That the county auditor shall keep an accurate account current, with the treasurer of his county; and when any person shall deposite with the auditor, any receipt given by the treasurer, for any money paid into the treasury, the auditor shall file such receipt in his office, and shall charge the treasurer with the amount thereof.

SEC. 12. That all accounts, debts, and demands, justly chargeable against any county, and which are not directed by law to be settled and allowed by some other person or tribunal, shall be examined and settled by the auditor of such county; and for all such just accounts, debts, and demands, settled and allowed by the auditor, or settled or allowed by any other person or tribunal, authorized by law to do so, and for all demands against such county, the amount of which is fixed by law, the county auditor shall issue orders on the treasury of such county, payable to the several persons entitled thereto; and all such orders shall be progressively numbered, and the number, date, and amount of each, and the name of the person to whom payable, and

the purpose for which drawn, shall, at the time of issuing the same, be entered in a book to be kept by the auditor for that purpose.

SEC. 13. That the county auditor shall annually, on or before the first day of March, make out and deliver to the assessor of his county, on demand, a schedule of all lands and town lots within his county, which are found from his knowledge, or from the certificate of the auditor of state, to have become subject to taxation, and which have not been assessed for that purpose, directing such assessor to assess the same, and make return thereof to him, on or before the first day of June next succeeding.

SEC. 14. That when an alteration of any list entered on the grand levy, may become necessary by reason of the partition of any tract of land or town lot, the county auditor, on receiving information thereof, shall transfer to the several parties in partition the portion set apart to him, her, or them, particularly describing the parts so transferred; and shall apportion and transfer the valuation of such land or town lot to the several parties, in proportion to their respective interests therein, previous to such partition.

SEC. 15. That when any county auditor shall be satisfied, that the transfer of any land or townlot, or any part thereof, has become necessary by reason of a sale thereof, or any part thereof, for taxes, a sale by a sheriff or other officer, by virtue of an execution, order of court, or decree in chancery, or by reason of devise or descent, he shall make such transfer; and in such case, if a part only of the tract of land or town lot shall be transferred, the proportion of the valuation to be transferred therewith, shall be ascertained by the county assessor; and for that purpose the auditor shall furnish the assessor with a list of such lands and town lots, at the time specified in the thirteenth section of this act, for delivering the schedule therein named.

SEC. 16. When the transfer of any land or town lot, or any part thereof, shall become necessary, by reason of a sale or conveyance by deed, and such conveyance shall be for the entire tract or lot, or part thereof, as charged on duplicate, such transfer shall be made by the county auditor, upon presentation of such deed, by the purchaser or his agent, and in case such conveyance shall be for less than the whole tract or lot, or part thereof, as charged on the duplicate, said county auditor shall transfer the same, whenever the seller and purchaser shall agree thereto, in writing, signed by them, or personally, before the auditor shall agree upon the amount of valuation to be transferred therewith; but if the seller and purchaser cannot agree as to the amount of valuation to be transferred, the auditor shall place said portion of land or lot on the list, to be by him made, according to the 13th section of this act, and the value thereof shall be ascertained and returned by the assessor, in the same time and manner of other lands contained in said list; and such auditor shall endorse on all deeds, purporting to be deeds of unconditional conveyance of real estate, which may be presented to him, (or transfer the evidence in writing, with his signature thereto,) of the proper entry of such transfer having been

made according to law, in his office, unless the same shall be for lands not entered for taxation on the books of the county auditor, in which case he shall endorse thereon, "not entered for taxation;" and it shall be the duty of each county recorder, before recording such deeds, to require the endorsement to be made as aforesaid, at the expense of the party interested: *Provided*, That if the county auditor shall be satisfied that the proportion of the valuation so agreed to be transferred, is greater than the proportional value of the land or lot to be transferred therewith, and that such agreement was made by collusion of the parties, and with a view fraudulently to evade the payment of any taxes, which might legally be assessed on the entire tract or lot, he may refuse to make such transfer; and when any such transfer has already been procured by such fraudulent agreement, the same shall be cancelled by the auditor, and the land or lot so transferred, shall be charged with taxes in the same manner as though such transfer had not been made.

SEC. 17. That the county auditor, in order to the performance of the duties herein required of him, shall, at all reasonable times, have a right to examine the records of deeds in his county, free of charge.

SEC. 18. That the county auditor of each county shall, annually, between the first Monday in June and the fifteenth day of August, make out a duplicate of taxes assessed in such county, according to the forms which shall be furnished by the auditor of state; and in doing so, he shall enter, first, all lands in each civil township, with the name of the owners, in alphabetical order, the value of the land without improvements, and opposite this the value of the improvements, and opposite this in another column the value of such land with improvements. Next in like order, he shall enter all town in-lots and out-lots, with the improvements thereon, situated in such township; and in their place all corporation stock (except bank stock) and the 4th place all personal property which is or shall hereafter be made subject to taxation by the laws of this state, and which shall be charged together with the poll tax in the civil township where the owner resides; and he shall number each organized township in regular progression, as the same shall stand entered on his duplicate, and the same township shall retain the same number from year to year.

SEC. 19. The county auditor, in making out such duplicate, shall be careful to enter thereon all the lands and town lots previously entered for taxation, with the valuation thereof, as heretofore assessed; and all such lands and town lots; as by mistake or neglect shall have been previously omitted to be entered on the tax duplicate; also, all such lands and town lots, as shall be found to have become subject to taxation, as provided in the thirteenth section of this act, with such valuation as shall be affixed thereto by the county assessor; and he shall enter the corporation stock and personal property according to the list of the assessor, returned next previous to the making of such duplicate, giving a pertinent description to all property thus entered on his duplicate, and taking special care to enter in the proper place, and in the proper names, all lands and town lots which shall have been trans-

ferred in his office, subsequent to the assessment of the taxes for the previous year; and also taking special care to notice and carry into effect all alterations which shall be made in the assessor's list, by the board of equalization for the county.

SEC. 20. That where any building or personal property assessed and entered for taxation, shall be consumed by fire or otherwise destroyed, the auditor shall strike the same from his duplicate, or deduct the proper proportion from the valuation of land or lot or personal property with which the same may stand charged on such duplicate.

SEC. 21. That the Auditor shall charge on the valuation of the property on such duplicate, the State and county tax in one column, and the road tax in the second column, and shall carry the same, together with the amount assessed for State and county purposes as a poll tax, out into a column of totals; and said Auditor shall apportion at the end of his duplicate, the amount of such assessment belonging to State, county, and road purposes, according to the per centum of taxation allotted to each; and he shall, by way of recapitulation, at the close of the duplicate, make out the footings of the several townships, so as to show distinctly the number of acres of land charged on the duplicate, the valuation of such land without improvements, the value of the improvements, and the value of such land including improvements, the valuation of town lots and the improvements thereon, the valuation of all corporation stock, (bank stock excepted,) and the valuation of all personal property, which by law is taxable, and entered upon such duplicate.

SEC. 22. That the county Auditor, in making such duplicate, shall charge on all lands and town lots returned delinquent by the county treasurer in January next preceding, and on which the taxes shall not have been paid into the State Treasury, and such payment certified by the Auditor of State to the county Auditor, the delinquent taxes and the interest thereon, together with a penalty of twenty-five per centum on such taxes, and shall add thereto the taxes of the current year.

SEC. 23. That the county Auditor shall make a complete copy of such duplicate, and deliver either the original or such copy to the county Treasurer of his county, on or before the fifteenth day of August; and shall make out and transmit by mail, on or before the first day of October, in every year, to the Auditor of State, a complete abstract of all the property listed in said county for taxation, as the same appears in the recapitulation, showing the amount of each kind of property taxed, and the assessed value thereof, with the amount of each kind of tax in each township, and the aggregate thereof in the county, and also certifying the rate of each kind of tax levied.

SEC. 24. Any county Auditor who shall fail to make such return, under the direction of the Auditor of State, by the day above required, or in case such return shall have miscarried, shall be required anew by the Auditor of State to furnish such statement by the first day of November, in the same year, and any county Auditor who shall fail, as above required, to transmit such report by the first day of October

annually, shall forfeit and pay to the State of Indiana the sum of one hundred dollars, and when so failing, if he shall in like manner fail, when so required by the Auditor of State, to furnish by the first Monday of November, in the same year, such report as above set forth, he shall in like manner forfeit and pay the further sum of one hundred dollars, which fines and forfeitures the Auditor of State shall forthwith direct the Prosecuting Attorney of the proper county to sue for and collect; and when so collected shall be paid over to the county Treasurer, who shall give duplicate receipts, one of which shall be deposited by such collecting officer with the county Auditor; which fines and forfeitures shall be for the use of the proper county seminary, to be drawn on the Auditor's order.

SEC. 25. That the county auditor shall, from time to time, correct all errors which he shall discover in his duplicate, either in the name of the person charged with taxes, the description of land or other property, or in the amount of such tax; and when the auditor is satisfied, after having delivered the duplicate to the county treasurer for collection, that any tax thereon, or any part thereof, has been erroneously or improperly charged, he may give to the person charged therewith a certificate to that effect, to be presented to said treasurer.

SEC. 26. That the auditor of each county in which any road tax shall be assessed, shall, immediately after the county commissioners, at their June session, shall have determined on the amount to be assessed for that purpose, give notice in some newspaper of general circulation in the county, of the per centum on each hundred dollars of valuation so determined to be assessed, and that the said tax may be discharged by labor on the roads under the direction of the supervisors of the several districts, at the rate of seventy-five cents per day; and shall, when required, make out a list for each supervisor's district, of the amount of road tax with which each individual within his bounds stands charged, inserting nothing in said list but the name of the person, and the amount of such tax, and deliver the same to the sheriff to be handed by him to the supervisor of the proper district.

SEC. 27. That the county auditor shall attend at his office, on the first Monday in January, annually, to make settlement with the treasurer of his county, and ascertain the amount of taxes with which such treasurer is to stand charged; and the auditor shall then take from the duplicate, previously put into the hands of the treasurer for collection, a list of all such taxes as such treasurer shall have been unable to collect, therein describing the property on which such delinquent taxes are charged, as the same is described on such duplicate, and shall note thereon, in a marginal column, the several reasons assigned by such treasurer, why such taxes could not be collected; and such list shall be signed by the treasurer, who shall testify to the correctness thereof, under oath or affirmation, to be administered by the auditor; and in making such list, the delinquencies of each township shall be kept separate and distinct; and after deducting the amount of taxes so returned delinquent, and the collection fees allowed the treasurer, from the several taxes charged on the duplicate, in a just and ratable pro-

portion, the treasurer shall be held liable for the balance of such taxes; and the auditor shall certify, in such manner as the auditor of state may direct, the balance due the state, the balance due to the county, the balance due for road purposes, and the balance due to the townships, and shall forthwith record such list of delinquencies in his office, and deliver the same to the treasurer, to be by him delivered to the auditor of state.

SEC. 28. That the county auditor shall open an account with each supervisor of roads, and shall immediately after his annual settlement with the county treasurer in January, give to such supervisor on application at his office, an order on the county treasurer, for such amount of road tax as has been collected in his district, together with such amount as shall from time to time be drawn from the State Treasury, as road tax collected on the duplicate at the State Treasury, as certified to him by the auditor of state. He shall also keep separate accounts with all county officers, and under proper heads the receipts and disbursements, on account of the county, so as not only to show the different heads, of receipt and disbursements, but to show the whole amount under one general head or cash account. The forms of such books of accounts shall be furnished by the auditor of state to the auditor of the county, if requested by such county auditor.

SEC. 29. That the county auditor shall, annually, before the first day of October, make out and record in a book to be provided for that purpose, a list of all lands and town lots returned delinquent by the county treasurer, in the preceding January, (excepting those on which the taxes shall have been paid into the state treasury, and such payment certified to the county auditor by the auditor of state,) describing said lands and town lots in said list, as the same are described on the tax duplicate, and charging them in the taxes of the preceding year with the interest, and a penalty of twenty-five per centum on such taxes, also the taxes of the current year, and shall certify the correctness thereof, the date at which the same was recorded, and sign the same officially.

SEC. 30. That the auditor shall cause such delinquent list to be published, at least four weeks, between the first day of October and the first day of December, in some newspaper printed in his county, if any be printed therein, and if none be printed therein, then in some newspaper having general circulation in such county, to which list there shall be attached a notice, that the whole of the several tracts of land and town lots in said list contained, or so much thereof as will be necessary to pay the taxes, interest, and penalty charged thereon, will be sold at the court-house, in such county, on the last Monday in December, next thereafter, by the county treasurer, unless such taxes, interest, and penalty, be paid before that time.

SEC. 31. The county auditor shall, on or before the day of sale mentioned in such notice, insert, at the foot of the record, on said delinquent list, a copy of such notice, and shall moreover certify on said record, immediately following such notice, the name of the paper, and the length of time such list and notice were published therein.

SEC. 32. That the county Treasurer, or his deputy, shall attend at the court-house in his county, on the last Monday in December, in conformity with the notice aforesaid, and shall then and there, at and after the hour of ten in the forenoon, proceed to offer for sale, separately, each tract of land or town lot, contained in the advertisement aforesaid, and on which the taxes, interest, and penalty have not been paid, and the person or persons offering at said sale to pay the taxes, interest, and penalty charged on such land or lot, for the least quantity thereof, shall be the purchaser or purchasers of such quantity; and the Treasurer shall continue such sale from day to day, until each tract of land or town lot contained in such advertisement, and on which the taxes, interest, and penalty remain unpaid, shall be sold or offered for sale.

SEC. 33. That the person or persons purchasing such tract of land or town lot, or any part thereof, shall forthwith pay to the Treasurer the amount of taxes, interest, and penalty charged thereon; and on failure so to do, the Treasurer shall immediately offer said land or town lot again for sale, in the same manner as if no such sale had been made; and the person so failing to make payment, shall forfeit and pay a penalty of twenty-five per centum on the amount of said tax, interest, and penalty, to be recovered by an action of debt, in the name of the Treasurer, for the use of the county, before any justice of the peace or court having jurisdiction thereof; for the use of the county seminary.

SEC. 34. That the county Auditor, or his deputy, shall attend all such sales of delinquent lands and lots made by the Treasurer of his county, and shall make a record thereof in a substantial book, therein describing the several tracts of land and town lots offered for sale, as the same shall have been described in the advertisement aforesaid, and stating how much of each tract or town lot was sold, and to whom sold; and if any tract or lot shall remain unsold for want of bidders, he shall so enter it on the record; and the Auditor shall make out and certify a copy of said record, and forward the same to the Auditor of State, by the county Treasurer, at the time such treasurer makes his annual return of State tax, in January next after such sale.

SEC. 35. That the Auditor shall make out and deliver to the purchaser of any land or lots, sold for delinquent taxes as aforesaid, a certificate of purchase, therein describing the land or lots so sold, as the same was described in the tax duplicate, and stating therein the amount of taxes, interest, and penalty for which the same was sold; and if only a part of a tract be sold, such certificate shall specify the quantity sold, and shall be directed to the county surveyor, whose duty it shall be, when requested by the purchaser, his assignee or heirs, to lay off, by metes and bounds, in a square, as near as practicable, at the most north-westerly corner of the tract from which the sale was made, the quantity so sold; and if the sale be made from in-lot or out-lot in any town, or from any particular part thereof, it shall be the duty of the county surveyor so to lay off the part or portion sold, that it shall extend from the main or principal street, road or alley; which

may be the most convenient front to such lot, to the rear of the lot, and to bound the same by lines, as nearly parallel with the outlines of such lot as practicable.

SEC. 36. That no deed shall be made by the county auditor, for any land or lot sold as aforesaid, for taxes, until the expiration of one year from and after such sale, nor shall the survey thereof, required by the certificate of purchase, be made until the expiration of that time.

SEC. 37. That said certificates of purchase shall be assignable in law; and an assignment thereof, shall vest in the assignee, or his legal representatives, all the right and title of the original purchaser.

SEC. 38. That at any time after the lapse of two years from the time of such sale for taxes, if the land or lot so sold shall not have been redeemed, the county auditor, or any of his successors in office, shall, on request, and on production of the certificate of purchase, and in case of the sale of part only of a tract of land or lot, on production of the county surveyor's return of a survey, in conformity with the requisitions of such certificate, execute and deliver to the purchaser, his heirs or assignee, as the case may be, a deed of conveyance for the tract of land or town lot, or such part thereof as shall have been sold as aforesaid: *Provided*, That when two or more parcels of the same tract or lot of land, have been or shall hereafter be sold for the non-payment of taxes, to the same purchaser or purchasers, it shall be the duty of the county auditor, on production of the certificates of the purchaser, or on production of the county surveyor's return of surveys thereof, in conformity with said certificates, when such surveys are required, to execute and deliver one deed of conveyance of the several parcels so sold, to the purchaser or purchasers. his or their heirs or assignees, which deed, so executed or delivered, shall vest in the grantee or grantees, his, her, or their heirs or assigns, the same title, both in law and equity; as if the several deeds for each and every parcel so sold, were or had been executed.

SEC. 39. That the deed so made by the auditor, shall vest in the grantee, his or her heirs and assigns, a good and valid title, both in law and equity, and shall be received in all courts as prima facie evidence of a good and valid title in such grantee, his heirs and assigns.

SEC. 40. That the purchaser, at a sale of lands or lots for taxes, of the interest of any joint tenant, tenant in common, or copartner, or of any part or portion of such interest, shall, on obtaining the deed from the auditor, for the part or portion so by him purchased, hold the same as tenant in common with the other proprietor or proprietors of such land or lot, and be entitled to all the privileges of a tenant in common, until legal partition of such land or lot shall be made.

SEC. 41. That upon the sale of any land or town lot for delinquent taxes, the lien which the state has thereon for taxes then due, shall be transferred to the purchaser at such sale; and if such sale shall prove to be invalid, on account of any irregularity in the proceedings of any officer having any duty to perform in relation thereto, the purchaser, at such sale, shall be entitled to receive from the

proprietor of such land or lot, the amount of the taxes, interest, and penalty legally due thereon, at the time of such sale, with interest thereon, from the time of payment thereof, and the amount of taxes paid thereon by the purchaser, subsequent to such sale, and such land or lot shall be bound for the payment thereof.

SEC. 42. That no sale of any land or town lot, for delinquent taxes, shall be considered invalid, on account of its having been charged on the duplicate in any other name than that of the rightful owner: *Provided*, That such land or lot be, in other respects, sufficiently described on the duplicate, and the taxes, for which the same is sold, be due and unpaid at the time of such sale.

SEC. 43. That when, by the provisions of any former law, the collector of taxes or the county treasurer was authorized to make deeds for lands or lots by them sold, for delinquent taxes, and the same has not been done, the county auditor of the proper county shall be, and he is hereby authorized, to make such deeds to all persons entitled thereto; and the deeds which shall be so made by the auditor, shall be as good and valid in law, as if made by the person authorized, under such former law, to make them.

SEC. 44. That in case any certificate or certificates shall have been at any time issued, to any purchaser or purchasers of lands for taxes, under any of the acts heretofore passed on that subject, which certificate or certificates having been mislaid, destroyed, or lost, and that fact being shown to the county auditor, and no deed or deeds having been executed therefor, said auditor being fully satisfied from evidence, of the existence and loss of any such certificate or certificates, shall, on application for that purpose, proceed to make and execute to such purchaser or purchasers, a good and sufficient deed or deeds of conveyance, for any such tract or tracts of land, which deed or deeds shall be as good and valid in law, to all intents and purposes as if such certificate or certificates had not been mislaid, lost, or destroyed.

SEC. 45. That the county auditor shall enter, in a book, to be kept in his office, a minute of all deeds by him made for lands and town lots, or parts thereof, sold for taxes; therein naming the person who stood charged with the taxes at the time of such sale, and the date of the sale, the name of the purchaser, a brief description of the land or lot so sold, the quantity sold, the amount for which the same was sold, the name of the grantee in the deed, and the date of its execution.

SEC. 46. When any tract or portion of land, town lot, or part thereof, shall be sold for taxes, and afterwards redeemed, it shall be the duty of the county auditor to insert a minute of such redemption, the date thereof, and by whom made, on his record of sales of land for delinquent taxes, and sign the same officially.

SEC. 47. That every tract of land and town lot, offered for sale by the treasurer, as hereinbefore provided, and not sold for want of bidders, shall be and the same is hereby declared to be forfeited to the State of Indiana; and thenceforth all the right, title, and claim and interest of the former owner or owners thereof, shall be considered

as transferred to and vested in said state, to be disposed of as the legislature may by law direct; and the county auditor shall annually, return by his treasurer, a separate list of all lands or town lots so forfeited, with the description thereof, and the amount of tax due thereon, to the auditor of state; and all such lands or lots shall be preserved on the duplicates until sold or redeemed, and the taxes thereon regularly assessed, in the name of the State of Indiana, which taxes shall be returned, annually, by the treasurer as delinquencies, and credited to him as other delinquencies, in his settlement.

SEC. 48. That if the former owner or owners of any tract of land or town lot, which may be forfeited as aforesaid, shall, at any time before the state shall have disposed of such land or lot, pay into the county treasury of the county in which such land or lot may be situated, or into the state treasury, all the taxes, interest and penalties due thereon, at the time of such forfeiture, together with the taxes, interest and penalties which have since accrued on such land or lot, which sum shall be ascertained and certified by the auditor, the state shall, in such case, relinquish to such former owner or owners, all claim to such land or lot, and the county auditor shall then re-enter such land or lot on his duplicate, with the name of the proper owner or owners.

SEC. 49. That the county auditor shall charge the county treasurer with all moneys by him received, under the provisions of the preceding section; and shall make out an annual list of lands and town lots, upon which payment shall have been made as aforesaid, specifying therein the proportion of such money belonging to the state; and shall forward said list to the auditor of state, by the county treasurer, at the time of paying over the state tax, in January; and the county treasurer shall pay into the state treasury, the state's proportion of such money, at the time he pays the other taxes due the state.

SEC. 50. That the auditor of state shall, from time to time, furnish the several county auditors with all such forms and instructions as he may wish them to pursue, in the performance of their several duties, and the said auditors shall observe them accordingly.

SEC. 51. That if the taxes charged on any land or lot, be regularly paid, and such land erroneously returned delinquent, and sold for taxes the sale thereof shall be void; and the money paid by the purchaser, at such void sale, shall be refunded to him out of the county treasury on the order of the county auditor; and that so much of said tax as has been paid into the state treasury, shall be re-funded to the county treasury; and the county auditor shall retain the same in his next annual settlement, and charge the state treasury therewith, in said settlement.

SEC. 52. That the county auditor of the county in which any land or town lot shall have been, or may hereafter be sold for taxes, under the provisions of this act, is hereby authorized and required to execute the proper deed therefor, to the person or persons entitled to receive the same, whether the said land or town lot shall, at the time of the execution of said deed, continue to be within said county or not, in the same manner as though the said land or town lot still remained

within the limits thereof, any law to the contrary notwithstanding.

SEC. 53. That the county auditors of the several counties in this state, be and they are hereby authorized to discharge from imprisonment, any person who shall be confined in jail, for the nonpayment of any fine or amercement due to the county, when such auditor shall be of opinion that the same cannot be collected by such imprisonment.

SEC. 54. That each county auditor shall receive for his services the following fees and compensation; for making out the duplicates of state and county tax, and the lists of the delinquent taxes for every sheet of one hundred words, provided that three figures shall be counted as one word, ten cents; making out copies of duplicates required by law, for each one hundred words to be computed as before, eight cents; recording proceedings of board doing county business, or other record, and entering the accounts necessary to be made or kept in his office, for every one hundred words, ten cents; for every order on the county treasury six and one fourth cents; for every entry and transfer of land for taxation, twelve and one half cents to be paid by the person requesting such transfer; for making a deed for any land or town lot sold for taxes, one dollar to be paid by the person receiving such deed; and for all other services required of said auditor by law, or now required of the clerks of boards doing county business, any sum not exceeding fifty dollars per annum; which together with all other fees now allowed clerks of boards doing county business, and not otherwise provided for by this act, shall be paid out of the county treasury on the order of the board doing county business, and not otherwise: *Provided*, Said board doing county business shall in no case give an order to said auditor for fees, but upon an account made out and sworn to by said auditor, which shall be filed in the office of the treasurer of said county: And *Provided* further, That the board doing county business, shall if they be of the opinion that the auditor of their county cannot under this act, receive a sufficient compensation for the services by him rendered, they are authorized and required to allow him such further sum as they may deem just and reasonable, to be paid out of the county treasury, on the order of said board doing county business.

SEC. 55. All the duties enjoined upon the auditors of counties in this act, shall continue to be discharged by the clerks until county auditors are elected, and qualified according to the provisions of this act; and when thus elected and qualified, they shall receive from the clerk of his county all books, papers, vouchers and accounts which pertain to the business of the county.

SEC. 56. That all duties heretofore enjoined upon clerks of counties, in relation to county business, the receipts and disbursements of county funds, shall be discharged by county auditors after their election, and they are qualified according to the provisions of this act; and the same fees allowed to clerks for such services shall be allowed to county auditors, payable in the same manner as heretofore paid to clerks.

SEC. 57. That all acts and parts of acts coming within the purview of this act, be and the same are hereby repealed: *Provided*; Such repeal shall not affect any rights acquired or liabilities or obligations incurred under any of their provisions.

SEC. 58. This act to take effect, and be in force from and after its passage.

A BILL

For the election of County Assessor.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana,* That there shall be elected on the first Monday in August, biennially, by the qualified electors in each organized county in this state, one county assessor for each county, who shall hold his office for two years from the day of his election and until his successor is elected and qualified; and shall do and perform all such duties as now are or hereafter may be required of him by law.

SEC. 2. That the county assessor, previous to entering on the duties of his office, shall give bond, with two or more freehold securities to the acceptance of the board doing county business, in the penal sum of two thousand dollars, payable to the state of Indiana, and conditioned for the faithful and impartial discharge of the duties of his office according to law; and shall take and subscribe an oath or affirmation to be endorsed on his bond, that he will faithfully and impartially discharge the duties of his said office to the best of his skill and ability; and the bond so endorsed shall be deposited with the county treasurer, and by him carefully preserved.

SEC. 3. That if any county assessor shall not give bond and security or shall not take the oath or affirmation as required in the preceding section, on or before the first Monday of December next after his election, his office shall be considered vacant.

SEC. 4. That in all cases where the office of county assessor shall become vacant by death, removal from the county, resignation, failure to give bond, or from any other cause, and the interest of the county and state require that such vacancy should be filled previous to the next annual election, the board doing county business of the proper county, shall appoint some suitable person, having the qualification of an elector and residing within such county, to fill the vacancy; and if necessary, the board may hold a special session for that purpose.

SEC. 5. That the person appointed to fill such vacancy shall give bond, and take an oath or affirmation, as provided in the second section of this act, and shall hold his office until the next annual election, and until his successor is elected and qualified.

SEC. 6. That whenever the commissioners of any county shall be of opinion that the county assessor will be unable to perform all the duties required of him within the time specified by law for the performance thereof, the assessor may, with the approbation of the board doing county business, appoint one or more deputies to assist in the performance of the duties of his office.

SEC. 7. That each deputy assessor shall be sworn or affirmed faithfully and impartially to discharge the duties of his appointment, and may do and perform any duty required of his principal except making a valuation of lands and town lots, and serving as a member of the board of equalization; and the principal shall be liable for all the misconduct in office of his deputy or deputies.

SEC. 8. That if any assessor shall, by himself or deputy or deputies, be guilty of any neglect of duty, which by any law now in force or which may hereafter be enacted, it is made his duty to perform, the board doing county business may make such deduction from his account for services rendered as they may deem just and reasonable, and he shall moreover be subject to presentment or indictment by the grand jury of the county, and may be fined in any sum in the discretion of the jury trying the same, for the use of the proper county seminary; and it is made the duty of the judges of the circuit court to give this act in charge to the grand jury of the proper county.

SEC. 9. That each county assessor and deputy assessor shall, at the end of each week in which he shall have been engaged in the performance of any of the duties required of him by law, enter an account in writing of the number of days or parts of days he may have been so engaged during the week; and at some stated meeting of the board doing county business, shall present such original account, to said board, and shall testify under oath or affirmation to the accuracy of such account, and shall answer such questions respecting the same as may be put to him by the board.

SEC. 10. That the assessor and deputy assessor shall each be allowed two dollars for each day that the board doing county business shall be satisfied they shall have been respectively employed in the discharge of the duties required of them by law.

SEC. 11. That suit may be instituted on the bond given by the assessor, in the name of the State of Indiana, either for the use of the proper county seminary, or any person injured by the misconduct in office of the assessor or his deputy, or by the omission of any duty enjoined on him by law.

SEC. 12. That all acts and parts of acts coming within the purview of this act shall be, and the same are hereby repealed: *Provided*, That the assessments for 1841 shall be made as heretofore, and that it is the duty of the board doing county business to appoint in each county, one qualified assessor for the year 1841, and none of the obligations or liabilities by any assessor incurred, shall be affected by the repeal of any act as provided for in this section.

This act to take effect and be in force from and after its passage.

A BILL

Prescribing the duties of County Treasurers.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana,* That there shall be elected on the first Monday in August next, and biennially thereafter, by the qualified electors in each organized county in this state, one county treasurer for such county; who shall hold his office for two years from the first Monday in June next succeeding his election, and until his successor is elected and qualified.

SEC. 2. That each county treasurer, previous to entering on the duties of his office, shall give bond with four or more freehold securities, to the acceptance of the board doing county business, and in such sum as said commissioners shall direct, payable to the state of Indiana, and conditioned for the paying over according to law, all moneys which shall come into his hands for state, county, road or other purposes; and shall also take and subscribe an oath or affirmation, to be indorsed on said bond, that he will faithfully discharge all the duties of his office; and the said bond, so indorsed, shall be deposited with the auditor of the county, and by him carefully preserved.

SEC. 3. That if any person elected to the office of county treasurer, shall not give bond and take the oath or affirmation as required in the preceding section, on or before the first Monday in June next after his election; his office shall be considered vacant.

SEC. 4. That whenever the office of county treasurer shall become vacant by death, removal out of the county, resignation, neglect to give bond, or from any other cause, the board doing county business of the proper county shall forthwith meet and appoint some suitable person to fill such vacancy; and the person so appointed, shall give bond and take an oath or affirmation, as required in the second section of this act, and shall hold his office until the expiration of the term for

which his predecessor was elected or appointed, and until his successor is elected and qualified.

SEC. 5. That each county treasurer shall keep his office at the seat of justice for his county, and shall keep a fair and accurate account of all money by him received, showing the amount thereof, the time when, from whom and on what account received; also of all disbursements by him made, showing the amount thereof, the time when, to whom and on what account paid; and he shall so arrange his books that the amount received and paid on account of separate and distinct funds or specific appropriations, shall be exhibited in separate and distinct accounts, as well as that the whole receipts and expenditures shall be shown by one general or cash account: *Provided*, That no money received for taxes charged on the duplicate of the current year, shall be by the treasurer entered on his account with the county, until he shall have made his annual settlement with the county auditor on the first Monday in January.

SEC. 6. That when any money shall be paid to the county treasurer (except such as shall have been paid on account of taxes, charged on the duplicate) the treasurer shall give to the person paying the same, duplicate receipts therefor: one of which, such person shall forthwith deposit with the county auditor, in order that the treasurer may be charged with the amount thereof.

SEC. 7. That the books, accounts and vouchers of the county treasurer, and all moneys remaining in the treasury, shall at all times be subject to the inspection, and examination of the board doing county business; and it is made their duty to make such examination and count the money on hand, at least once each year.

SEC. 8 That the county treasurer, when an order drawn on him as treasurer, by the auditor of his county, is presented for payment, shall, if there be money in the treasury for that purpose, redeem the same, and shall write on the face of such order, "*Redeemed*," the date of redemption, and shall sign his name thereto.

SEC. 9. That when any order shall be presented to the county treasurer for payment, and the same is not paid for want of funds, the treasurer shall endorse said order, "not paid for want of funds," annexing the date of its presentment, and shall sign his name thereto; and said order shall from thenceforth bear an interest of six per centum per annum.

SEC. 10. That so soon as there shall be sufficient funds in the treasury of the county to redeem the orders drawn thereon, and on which interest is accruing, the county treasurer shall give notice in some newspaper printed in his county, or circulated therein, that he is ready to redeem such orders; and from the date of such notice, the interest on such orders shall cease.

SEC. 11. That when the county treasurer shall redeem any order on which any interest is due, he shall note on such order the amount of interest by him paid thereon, and shall enter on his account the amount of such interest, distinct from the principal.

SEC. 12. That the county treasurer shall, on the first Monday of

March, June, September, and December in each year, deposit with the Auditor of his county, all orders on the treasury by him redeemed, and take the Auditor's receipt therefor.

SEC. 13. That the county treasurer shall, between the first and fifteenth days of August, annually, receive from the county Auditor of his county, a duplicate of the taxes assessed by such Auditor; and immediately after receiving said duplicate, he shall cause notices to be posted up in three places in each township throughout the county, one of which shall be the place of holding elections in the township, and also to be inserted in some newspaper having general circulation in his county, for six successive weeks, stating in said notices the amount of tax charged for state, county, and road or other purposes, on each one hundred dollars valuation; also, on what day the treasurer or his deputy will attend at the place of holding elections in each township, for the purpose of receiving such taxes; and the treasurer or his deputy shall attend for the purpose aforesaid, on the day and at the place named in such notices; and shall attend at his office at the seat of justice during the months of October and November, to receive taxes from persons wishing to pay them: *Provided*, That the board doing county business of any county, at their stated meeting in June in any year, if they shall deem it necessary for the convenience of the citizens of any township or townships in their county, to enable them to pay their taxes without attending at the county seat, may make an order requiring the county treasurer to attend two days in such township or townships for the purpose of receiving taxes, and shall notify the treasurer thereof; and the treasurer shall be bound to attend accordingly, and shall state in the notices to be given as aforesaid, on what days he will attend in said township or townships for that purpose.

SEC. 14. That each county treasurer may appoint one or more deputies to assist him in the collection of taxes; and may take such bond and security from the persons appointed, as he shall deem necessary for his indemnity; and shall in all cases be liable and accountable for the proceedings and misconduct in office of his deputies.

SEC. 15. That the county treasurer or his deputy, whenever any tax shall be paid, shall give to the person paying the same a receipt therefor, specifying therein the land, town lot, or other property on which such tax was assessed, according to its description on the duplicate, or in some other sufficient manner.

SEC. 16. That when any person shall desire to pay only a proportion of the tax charged on any real estate, such person shall pay a like proportion of all the several taxes charged thereon for state, county, road or other purposes; and no person shall be permitted to pay one of said taxes without paying the others.

SEC. 17. That if any person shall be erroneously or improperly charged on the duplicate with any taxes, and shall deposite with the county treasurer a certificate to that effect, signed by the county auditor, the treasurer shall omit to collect such taxes, or so much thereof as shall have been erroneously or improperly charged.

SEC. 18. That if any person or persons shall fail to pay the taxes charged against him, her, or them, on or before the first day of December, next after the same shall become due, such person or persons may pay the same at any time before the treasurer shall have distrained any property for the payment of such taxes, but shall be charged with the penalty of ten per cent. thereon for the use of the treasurer.

SEC. 19. That at any time subsequent to the first day of December next after such taxes shall become due, the county treasurer, or his deputy, may distrain sufficient goods and chattels belonging to the person or persons charged with such taxes, if found within his county, to pay the taxes so remaining due from such person or persons, and the costs that may accrue; and shall immediately proceed to advertise the same in three public places in the township where such property may be taken, stating the time when, and the place where such property will be sold; and if the taxes for which such property shall have been distrained, and the costs which have accrued thereon, shall not be paid before the day appointed for such sale, which shall not be less than ten days after the taking of such property, such treasurer or his deputy, shall proceed to sell such property at public vendue, or so much thereof as will be sufficient to pay said taxes, and the costs of such distress and sale.

SEC. 20. That the treasurer shall be allowed the same fees for making distress and sale of goods and chattels for the payment of taxes, as may be allowed by law to constables for making levy and sale of property on execution; travelling fees to be computed from the seat of justice of the county to the place of making the distress.

SEC. 21. That the county treasurer shall annually, on the first Monday of January, make settlement with the auditor of his county, and make return of the delinquencies on the tax duplicate in the manner which shall be directed in the act prescribing the duties of county auditor.

SEC. 22. That if any county treasurer, on making settlement with the county auditor, shall stand charged with any tax which remains unpaid, and shall not receive a credit therefor in such settlement, such treasurer may collect such tax for his own use at any time within one year after such settlement, either by distress and sale, as hereinbefore provided, or by an action of debt in his own name, before any justice of the peace or court having jurisdiction thereof.

SEC. 23. That each county treasurer shall, on or before the fifteenth day of January, pay over to the treasurer of state, all the moneys by him received for state purposes, agreeably to the certificate of settlement with the auditor of his county, deducting therefrom his travelling fees; and shall take a receipt from said state treasurer for the money so paid, which he shall deposite with the auditor of state, who shall give him a *quietus*.

SEC. 24. That the sum of eight cents per mile shall be allowed to each county treasurer for travelling fees in going to and returning from the seat of government, in order to pay into the state treasury

the moneys by him received for state purposes; to be computed by the auditor of state according to the distance on the route most usually travelled.

SEC. 25. That if any county treasurer shall fail to make return, fail to make settlement, or fail to pay over all money with which he may stand charged, at the time and in the manner prescribed by law, it shall be the duty of the county auditor, on receiving instructions for that purpose from the auditor of state, or from the board doing county business of his county, to cause suit to be instituted against such treasurer and his securities, in the circuit court of his county; and it shall be lawful for such court, at the first term thereof, after the commencement of such suit, if the process issued against such treasurer and his securities shall have been duly served and returned, to render judgment against them for the amount due from such treasurer with legal interest, and a penalty of ten per cent. thereon, and six per cent. thereon to be taxed for the use of the prosecutor as his fee for collection: upon which judgment there shall be no stay of execution; and the property of such delinquent treasurer and his securities may be sold without appraisement, to satisfy such judgment: *Provided*, that if the court shall be satisfied that justice cannot otherwise be done, they may continue such cause; but in no case shall they grant more than two continuances.

SEC. 26. That whenever suit shall have been commenced against any delinquent county treasurer as aforesaid, the board doing county business of such county may, at their discretion, remove such treasurer from office, and appoint some person to fill the vacancy thereby created, as herein before provided.

SEC. 27. That the sheriff or other officer who shall collect any money from a delinquent county treasurer or his securities, shall within ten days after the collection thereof, pay into the county treasury such proportion thereof as shall belong to the county; and within thirty days after such collection he shall pay into the state treasury the proportion belonging to the state, retaining the same travelling fees as are herein allowed to county treasurers: *Provided*, that if the proportion belonging to the state, should not exceed one thousand dollars, the sheriff or other officer shall deposite the same with the county treasurer, and shall take triplicate receipts therefor, one of which he shall deposite with the county auditor, and one he shall forthwith inclose in a letter to the auditor of state; and the money so deposited with the county treasurer and belonging to the state, shall be by the county treasurer paid over to the treasurer of state at such time, and in such manner, as the auditor of state shall direct.

SEC. 28. That if any sheriff or other officer, to whom an execution against a delinquent treasurer and his securities shall be delivered, shall neglect or refuse to execute the same, or shall neglect or refuse to pay over any money collected thereon, as required in the preceding section, he and his securities shall be liable to the same penalties, and shall be proceeded against in the same manner, as is herein provided in relation to delinquent treasurers.

SEC. 29. That if any deputy treasurer shall fail to pay over to his principal, on demand, any taxes or other money by him collected as deputy treasurer, the same proceedings may be had against him and his securities, at the instance of the treasurer, as are by this act authorized against treasurers for failing to make payment according to law.

SEC. 30. That the county treasurers shall make sale of the delinquent lands and town lots, in the manner which shall be pointed out in the act prescribing the duties of county auditors, and shall do and perform all such other duties as now are, or hereafter may be, required of them by any general or local laws.

SEC. 31. That each county treasurer shall make a full settlement with the board doing county business of his county, at their stated meeting in June annually, and shall be allowed for his services five per centum on all money received and paid out during the preceding year, except, ing that collected on the tax duplicate, and excepting that on which some other rate of compensation or fee is fixed by law; and shall be credited with the sum by him paid for printing such advertisements as he is required to publish in some newspaper, and with the sum by him paid for blank books and stationary in his office, to be paid on the order of the county auditor: *Provided*, that no percentage shall be allowed to the treasurer on any money by him received from his predecessor in office, or from the legal representatives of such predecessor.

SEC. 32. That the fees to be allowed the county treasurer on his settlement with the county auditor for the collection of taxes shall be eight per centum on the first one thousand dollars; six per centum on any sum between one and two thousand dollars; five per centum on any sum between two and three thousand dollars; four per centum on any sum between three and four thousand dollars; three per centum on any sum between four and five thousand dollars: and two per centum on any sum over five thousand dollars by him collected as aforesaid.

SEC. 33. That each county treasurer, in going out of office, shall deliver to his successor in office all the public money, books, accounts, papers and documents in his possession, and in case of the death of any county treasurer, his legal representatives shall in like manner deliver up all such moneys, books, accounts, papers and documents, as shall come into their possession.

SEC. 34. That all acts and parts of acts coming within the purview of this act shall be and the same are hereby repealed. *Provided*, that the county treasurers now in office shall continue to hold their respective offices until their successors are elected and qualified, and the obligations and liabilities incurred under said acts, shall not be affected by the repeal thereof.

This act to take effect and be in force from and after its passage.

A BILL

Pointing out the mode of levying taxes.

SECTION 1. *Be it enacted by the General Assembly of the State of Indiana,* That all lands and town lots, with all buildings erected or made thereon or thereto attached, together with all improvements which are the property of any individual or individuals, body corporate or politic, and all personal property, shall be and the same are hereby declared subject to taxation, (except such lands and personal property as are exempted from taxation by the second section of this act,) and the same shall be subject to taxation yearly and every year, to be levied and collected agreeably to law. That the term "all lands" shall be construed to mean all lands which have been purchased of the general government for five years or upwards, up to the first day of March in each year; all the Wabash and Erie canal lands sold by the State of Indiana, whether the same be paid out by the purchasers or still remain unpaid for; all state, seminary, and saline lands sold by the State, whether the same be paid out by the purchasers, or still remain unpaid for; all Michigan road lands; all individual reserves of land, reserved to or for any individual, Indian or white, by any treaty between the United States and any Indian tribe or nation; and all sixteenth or other school sections sold. And the term "personal property" in this section, shall be construed to mean and conclude household furniture; all moneys on hand, whether specie or current bank paper; all moneys loaned at interest, whether specie or current bank paper; all goods; all chattels; all public stocks or capital invested in steam-boats; all stocks in moneyed corporations; (except bank stock;) also such portions of the capital of incorporated companies, liable to taxation by the laws of this state, as shall not be vested in real estate; all notes and bonds on solvent persons; all bills of exchange, checks, drafts, or certificates of deposit, provided such notes, bonds, bills, checks, drafts, or certificates have been purchased with

money, (except however, such as are purchased by any corporation, the capital of which is taxed by this act,) shall be considered as cash on hand or money loaned at interest, and they shall be so assessed: *Provided*, That from the valuation of any canal, seminary, or school land sold on a credit, either by the state or any county, there shall be deducted from such valuation the amount remaining unpaid, and the residue of such valuation only shall be set down for taxation: and each male inhabitant over the age of twenty-one years, shall be subject to a poll tax for state and county purposes, the amount to be fixed from time to time by law—subject, however, to the exemptions provided in the 12th section of this act.

SEC. 2. All lands belonging to the United States or this state; all lands sold by Congress until the term of five years shall have expired from the day of sale; all lands with the improvements thereon, not exceeding ten acres, the title of which is vested in any trustee or trustees, body corporate or politic, for the use of, and in trust for, any religious society, and occupied by any such society for the use of a meeting house or burying ground; all lots of ground set apart for school houses, seminaries, academies or colleges not exceeding twenty acres, with the buildings and improvements thereon, occupied for such purposes; all lands set apart for the use of common schools, and not sold to individuals; all state and county libraries; all libraries and philosophical apparatus belonging to, or used by, any incorporated college or academy or society for the promotion of science; all lands owned by counties in this state, and set apart for the use and support of the poor of such county or counties, not exceeding two hundred acres; all county grounds and county buildings set apart for county purposes; all hospitals, alms-houses, houses for the correction or reformation of offenders, and the real and personal property belonging thereto; and all stocks owned by the state or by literary or charitable institutions; and all the personal property of a widow and orphan children, if it does not exceed two hundred dollars in value, the necessary beds and bedding not exceeding two to each family, and the wearing apparel for each family, one hundred dollars valuation of personal property on each and every tax payer, shall be exempt from taxation.

SEC. 3. The assessor between the first day of March and the twenty-fifth day of May in the year eighteen hundred and forty-two, shall call upon each and every person resident in his county for a list of all improvements on any land or town in-lot or out-lot, for all corporation stock, and all personal property made subject to taxation by this act, and the assessor shall make true valuation thereof in money according to the provisions of this act.

SEC. 4. That the assessor annually thereafter between the first day of March and the twenty-fifth day of May, shall list from every person, any or all of the before mentioned subjects of taxation, which may have been erected, built, made, or put in operation, owned, possessed or become liable to taxation since the last enlistment and valuation; and he shall make a true valuation thereof in money, according to the provisions of this act.

SEC. 5. That the assessor, between the first day of March and the twenty-fifth day of May, eighteen hundred and forty-two, and annually thereafter, shall call upon each and every person resident in his county, for a list of all lands, or town in-lots and out-lots, which may be subject to taxation, and which have not been previously entered on the proper list and valued; and the assessor shall also take a list of all in-lots and out-lots in any town or village, which may have been laid out agreeably to law, subsequent to taking the former lists in the county; and he shall note the quantity and description of land on which such town is laid out, and estimate what proportion of the value of the tract of land in which said town is laid out, ought to be deducted therefrom. Said assessor shall also take a list of all improvements subject to taxation, which have been erected or made on any town or village in-lot or out-lot; he shall also note all houses and buildings or other improvements which stand on the grand levy, and which have been destroyed in any manner; and he shall make a true valuation of these different species of property, in money, according to the provisions of this act.

SEC. 6. That the list given by the owner or owners or taken by the assessor aforesaid, shall particularly set forth, the name of the owner or owners; the number of acres of land in each particular tract, lot, section, or sub-division thereof; or the number of the entry, location or survey, and water course, as the nature of the general or particular survey may require; and in the English and French grants, Clark's grant, and Indian reserves, (where the survey of the latter is different from the United States surveys,) shall also set forth the name of the original owner, the quantity of land contained in the original tract, of which the tract listed is a part or sub-division: also, all town in-lots and out-lots owned or held as aforesaid, with the number thereof, as described on the recorded plan of said town, or the parts thereof, if it has been sub-divided: also all improvements erected, built, or made thereon, all corporation stock, (bank stock excepted) and all personal property, owned or possessed by such person or persons, or bodies corporate or polific.

SEC. 7. That if any tract of land, town in-lot, or out-lot, shall be owned by different persons in severalty, tenancy in common coparcenary, either of them may list his or her, or their respective share or shares, or all may together, as they deem expedient; in which case, such tenancy shall be noted on the list, and the whole quantity of land or lot shall be noted.

SEC. 8. That if the owner or owners of any of the capital employed or other article of property made taxable by law, shall be absent or unable to give in a list, when called upon by the assessor, it shall be the duty of the assessor to make a list thereof, from the best information he can obtain, therein describing the several pieces of property according to the requisitions of this act, and note the fact of such taking on said list.

SEC. 9. That if the owner or owners of capital employed or other property made taxable by law, shall make out and deliver, by the

twenty-fifth day of may, (after being called upon, and being either absent or unable to give a list) to such assessor a correct list of his property, in the manner prescribed in this act, the assessor shall receive the same, and correct his valuation thereby, if necessary.

SEC. 10. That if the owner or owners of property do not reside within the county wherein the same is situated, and shall neglect to furnish the assessor with a list of the same, as herein required, by the twenty-fifth day of April annually, the assessor shall make a list thereof from the best information he can obtain; and if the owner be unknown, then the property shall be listed, and it shall be noted in the column of names that the owner is unknown.

SEC. 11. That if any person resident in the county shall refuse to give a list of his or her capital employed, or other property, when called upon by the assessor, or shall fraudulently omit to give in any part of his or her capital or property, herein before required to be listed, the assessor shall take a list of such persons, capital employed, or other property thus refused or omitted to be listed, from the best information he can obtain; and he shall distinctly note the list so taken in either of these cases, and shall notify such person to attend the board of equalization of such county: and if the person failing, refusing, or omitting to give a correct list as aforesaid, shall not satisfy the board, of equalization of his innocence in the premises, they shall order the property so refused or fraudulently omitted to be listed, to be taxed threefold the proper taxes: but if the refusal is excused for good cause, or the fraudulent intention in omission is removed, they shall order the property to be taxed as other property of like description.

SEC. 12. That the said assessor shall, annually, before the first Monday in June, make a true valuation in money of all property made liable to taxation by law, which has not been listed and valued, and insert such valuation in the proper column in his list.

1. All lands and improvements erected or built thereon, or affixed hereto, shall be valued at their true value in money, taking into consideration the fertility and quality of the soil, the vicinity of the same to public roads, town or villages, navigable rivers, water privileges on the same or location and rout of canal or canals or rail roads, with any other local advantages of situation, upon actual view of the premises, and shall be so entered in his list as to show in separate columns the value of the land without improvements the value of the improvements, and the value of such land with the improvements.

2. In-lots and out-lots in all towns and villages, with the improvements erected or built thereon, or affixed thereto, shall be valued at their true value in money, taking into consideration the local advantages of situation—upon actual view of the premises.

3. All corporation stock (Bank stock excepted) made taxable by the first section of this act, shall be valued and assessed as so much capital—upon the statement of the person under oath or affirmation.

4. All personal property made taxable by said first section of this act, shall be valued at its true cash value upon the statement of the owner: *Provided*, That the assessor may require any person to give

in his property made taxable by this act, under oath or affirmation: *And Provided, further,* That all moneys on hand, whether specie or current bank paper, all moneys loaned at interest whether specie or current bank paper, all notes and bonds on solvent persons, all bills of exchange, checks, drafts, or certificates, which have been purchased with money; whether owned by individuals, Insurance companies, or exchange brokers or other companies, made taxable by the first section of the act, shall be given in by such individual, cashier, clerk or other proper officer, under oath or affirmation.

5. All persons over the age of twenty-one years, shall be assessed and charged with such poll tax, as is now or shall hereafter be fixed by law: *Provided,* That said assessor shall not assess any poll over the age of fifty years, if in his opinion such person is unable to pay the same, and he shall note all such exemptions.

SEC. 13. The assessor of each county, before the first Monday in June, annually, shall make out from the lists taken as before provided, an abstract thereof; and shall distribute the same under the head of the respective townships wherein the several articles listed shall be subject to taxation, together with the valuation thereof, and taxable polls, to wit: All lands, lots and improvements thereon, in the civil township where the same may be situated; all other property under the head of the township where the owner may reside, and the polls assessed also in the township where the individual resides: and if any tract of land lying in the grants to English or French emigrants, or in Clark's grant, or individual Indian reserves, (surveyed differently from the United States surveys,) shall be divided by any township line, such tract shall be placed under the head of that township in which the greater part thereof lies; and such whole tract shall be set down within such township, until the same shall be aperted at or near the township line, when it shall be listed in the respective proper townships; which said abstract the assessor shall deliver to the county Auditor, with the original lists taken by him, on or before the first Monday in June, annually.

SEC. 14. That the county commissioners, auditor and assessor, shall meet at the seat of justice of each county, on the first Monday of June, annually; who shall have power to hear and determine the complaint of any owner of property or poll listed, and the valuation of any property valued by the assessor subsequent to the preceding first day of March; and shall correct any list or valuation, as they shall deem proper; and shall have power to equalize the valuation made by the assessor, either by adding to, or deducting from his valuation, such sums as to them, or a majority of them, shall appear just and equitable.

SEC. 15. All taxes necessary for the support of government of this State, shall be assessed on polls, and on the grand levy of articles enumerated in this act, (except as to the tax on bank stock,) in an equal and ratable proportion, in manner following, to wit: The amount necessary to be charged on each poll, and the per centum necessary to be charged on each one hundred dollars, on said grand levy for

state expenditures, shall be fixed from time to time by law; that the board doing county business of each county shall, at their annual meeting in June, determine the amount to be levied on each poll, and the per centum necessary to be levied for the expenses of their respective counties, and also for road purposes.

SEC. 16. That the board doing county business of each county shall cause to be paid into the county treasury,

1. For each license to keep a ferry, not less than three nor more than fifty dollars.

2. For each license to vend or retail spirituous liquors, not less than nor more than two hundred dollars.

3. For each merchant's license, five dollars for any amount not exceeding one thousand dollars' worth of such foreign merchandise, or foreign and domestic groceries; seven dollars and fifty cents for any amount over one thousand and not exceeding two thousand dollars; ten dollars for any amount over two thousand and not exceeding three thousand dollars; twelve dollars and fifty cents for any amount over three thousand and not exceeding four thousand dollars; fifteen dollars for any amount over four thousand and not exceeding five thousand dollars; seventeen dollars and fifty cents for any amount over five thousand dollars, and not exceeding six thousand dollars; and twenty dollars for any amount over six thousand dollars.

4. For each license on each exchange broker the same amount for the capital employed as required of merchants in this section, and it is hereby made the duty of any exchange broker, to procure such license in the same way, and be liable to all the penalties for any neglect in procuring the same to which merchants are by law subjected. The term merchants in this section mentioned shall be construed to mean every person within this state, trading or dealing in foreign or domestic goods, wares, merchandise, jewelry, drugs or medicines, whether the owner or owners thereof reside within this state or elsewhere.

5. For each license to vend wooden, brass, and composition clocks, or clocks composed of either of them, not less than twenty nor more than fifty dollars; and the license so obtained shall authorize only one person, he in whose name it shall be procured, to sell under it in only one county, and only for one year; and that any agent vending such clocks, shall be deemed a principal, and shall be compelled to procure a license accordingly. *And Provided*, that any hiring, leasing, or other bailment of any such clocks, by any person whatever, shall be deemed a sale, and treated accordingly.

6. For each travelling caravan, menagerie or other collection of animals, or show of any figures or circus, or theatre, exhibited or performed before the people for reward, not less than ten dollars nor more than fifty dollars for each day's exhibition: and it shall be the duty of the county treasurer to see that the license is procured; and upon the refusal or neglect of the owner or manager of such menagerie, circus, show or theatre to comply with the provisions of this act, the treasurer shall commence suit against said owner or manager before

any justice of the peace of his county, in the name of the county, for the amount of such license, and the justice trying the case shall render judgment for the amount of such license, with damages ten-fold the amount of said license, which damages or fine shall be for the use of the county seminary of the proper county, and in default of property out of which to make said judgment, said owner or owners, manager or managers, shall be committed to prison until released by taking the insolvent debtor's oath, or by due course of law.

SEC. 17. That the value of licenses to retailers of spiritous liquors, and foreign and domestic groceries, and tavern keepers who desire to sell spiritous liquors, venders of foreign merchandise, and venders of wooden or other clocks, may be determined upon by the board doing county business at any session thereof; and in cases of application for licenses to keep a tavern with the privilege to retail spiritous liquors, or to keep a grocery with the privilege to retail spiritous liquors and foreign and domestic groceries, inquiry shall be made as to the place of residence of the applicant, and to the profits of his business, and after such inquiry, the board shall determine what amount such applicant shall pay for his license, within the limitations of the 16th section of this act: *Provided*, That a majority of the citizens of any town or township may remonstrate in writing to the board doing county business, against the licensing of any grocery, tavern, or other establishment for the retailing of spiritous liquors, for any term of time which they may designate, and the board shall be governed by the wishes of the majority as thus expressed.

SEC. 18. The lien of the State for all taxes for state, county, road, and other purposes, shall attach on all real estate, on the first day of March annually: and such lien shall be perpetual, for the amount of all taxes which heretofore have accrued, or which may hereafter accrue, with the interests and penalties in each case, until such taxes, interest and penalties shall be fully paid; which lien shall in no wise be affected or destroyed by any sale or transfer of any such real estate.

SEC. 19. The board doing county business shall, at their June session annually, for purposes of county revenue, fix any per centum by them deemed necessary on each one hundred dollars valuation of taxable property, and such amount on each male inhabitant made taxable by this act, for county purposes, as they may deem necessary; all of which shall be levied and collected as provided by law.

SEC. 20. Every person, body politic, or corporate shall be bound to list and stand chargeable with tax, on all personal property subject to taxation by law, owned or possessed on the first day of March annually; and if the county treasurer, or other person appointed to collect the taxes, cannot in any one year collect the tax charged upon said property, the same shall remain as a debt against such person, body politic or corporate, and with legal interest thereon may be collected, at any time thereafter, together with any poll tax, not paid by the person chargeable therewith by said treasurer or other per-

son appointed to collect taxes, in the same manner that he is authorized by law to collect other taxes in other cases.

SEC. 21. That the personal property of deceased persons shall be liable in the hands of executor or administrator, for any tax due on the same by any testator or intestate.

SEC. 22. Any non-resident of the state, or other person, charged with the tax on any land or lot, situate in any other county than the one in which said person may reside, may pay such tax into the state treasury, at any time after the auditor of state shall have received the duplicate thereof, from the proper county auditor, to-wit: when any such land or town lot shall have been delinquent, and advertised for sale, on the last Monday in December, of the current year, payment of the tax, interest, and penalty due thereon, shall be made on or before the first Monday of December; and in other cases, payment of the taxes of the current year may be made on or before the last day of December.

SEC. 23. The revenue for the year eighteen hundred and forty-one shall be assessed and collected under the laws now in force, except as to branch bank stock, which shall not be assessed and collected as heretofore, but according to the provisions of an act to tax individual stock of the several branches of the state bank of Indiana.

SEC. 24. That in eighteen hundred and forty-one, the Board doing county business in each year and every county, shall meet at the court house, or at the usual place of holding the circuit court in such county, on the first Monday in March, June, September, and December, and annually thereafter for the purpose of transacting the duties enjoined on them by law, any thing in any law to the contrary notwithstanding.

SEC. 25. That all acts and parts of acts coming within the purview of this act, be and the same are hereby repealed: *Provided*, That no right vested, act done, or obligation or liability incurred under any of the provisions of the acts hereby repealed, shall be in anywise affected or impaired by the repeal thereof.

This act to take effect and be in force from and after the first day of March, eighteen hundred and forty-two.

A BILL

To tax the individual stock in the several branches of the State Bank of Indiana.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana,* That the board of directors of the several branches of the State Bank of Indiana shall by the first of October eighteen hundred and forty-one, and annually thereafter, cause to be transmitted to the auditor of state a correct statement of the amount of the stock owned, and paid out by individual stock holders whether resident or non-resident, which statement shall be signed by the president of such branch, and countersigned by the cashier, who shall attest to the correctness of such statement; and the auditor of state on receiving such statement shall, in each case, immediately draw on such branch or of the State Bank in favor of the treasurer of State for the amount of fifteen cents on each one hundred dollars of stock, in lieu of all county and road taxes, and shall also add such amount for state tax on each one hundred dollars of such stock, as by law is now charged upon other corporation stock or may hereafter be charged by law upon corporation stock. *Provided* that said tax shall in no case exceed the limits fixed by the charter of the State Bank of Indiana; and the treasurer shall receive such draft of the auditor and account therefor, as for other moneys received into the treasury.

SEC. 2. That if any branch bank refuse or neglect to make out and forward to the auditor of state, the statement required by this act, in the manner and within the time herein specified, or shall neglect or refuse to pay any draft drawn by the auditor of state for the amount of tax due to the state according to the provisions of this act; such branch bank shall forfeit and pay any sum not exceeding one thousand dollars, for the use of the proper county seminary, to be recovered by action of debt in the name of the state of Indiana, with cost of suit, before any court having competent jurisdiction thereof; which amount shall be paid over to the treasurer of state, and be by him accounted for as are other moneys received into the treasury; and it

is hereby made the duty of the prosecuting attorney in each judicial circuit, where any branch bank is located, upon being notified by the auditor of state, of the neglect or refusal of any such branch bank, to make out and forward the statement required by this act, immediately to institute suit, against such branch bank for the penalty aforesaid: and for his services he shall be allowed such compensation as the auditor may deem reasonable.

SEC. 3. The penalty affixed in this act for failure or neglect of the branches of the state bank to comply with its provisions, may be drawn from the state treasury upon the order of the board of trustees of the proper seminary, upon the warrant of the auditor of state.

This act to take effect and be in force from and after its passage.

A BILL

Levying a tax for State and Internal Improvement purposes.

SEC. 1. *Be it enacted by the General Assembly of the State of Indiana,* That there shall be levied for state and Internal Improvement purposes, an annual tax of cents on each one hundred dollars, of the value of all property entered on the general list for taxation, which tax shall be assessed and collected agreeably to law: *Provided,* That there shall be levied for said purposes for the year eighteen hundred and forty-one, the additional amount of cents on the one hundred dollars valuation as aforesaid, to meet the deficit in the treasury, caused by the lessening of the taxes, by the last general assembly.

SEC. 2. That cents on each one hundred dollars valuation as aforesaid, be set apart annually to the discharge of the interest on the state bonds, issued for the purpose of Internal Improvements; and the auditor of State, shall apportion the net amount realized for that purpose; and shall on the first day of February annually, audit to the proper officer the amount so set apart as aforesaid.

SEC. 3. All acts coming within the purview of this act, be and the same are hereby repealed.

This act to take effect and be in force from and after its passage.

R E P O R T

OF THE

C H I E F E N G I N E E R .

Laid on the table, and two hundred copies ordered to be printed.

INDIANAPOLIS, Dec. 29, 1840.

HON. SAMUEL JUDAH, *Speaker House of Reps.*

SIR:—I herewith submit to the House through you as its organ, a report shewing the cost of several divisions of the public works, the amount of labour performed, and to be performed on each, in obedience to sundry resolutions adopted by the House.

Very respectfully,

OFFICE OF CHIEF ENGINEER, }
INDIANAPOLIS, DEC. 28th 1840. }

TO THE HON. SAMUEL JUDAH,

Speaker House of Representatives:

Within the last three or four days, copies of several resolutions adopted by the House, have been received at this office, all calling for information in regard to the present condition of the various lines of improvement, the amount of work done, and the amount required to finish each division. Although these resolutions were adopted at different times and have respect to the work separately, yet as the information called for is of the same character, I shall probably better meet the object of the House by answering all the calls in one communication, placing the statements desired on each line under its proper heading. The tabular statements which follow, are believed to contain all the information requested in the several resolutions of the kind, which have been received.

In reference to these statements, it should be recollected that they are made up from the estimate books of the Engineers, and therefore do not include the payments for superintendence or damages, which could be correctly given only by examining the vouchers of the several acting commissioners. The very short sub-divisions in which some of the lines are arranged by the resolutions, would render it very difficult to determine what proportion of these items to charge to each division. Supposing that the object of the House in these calls, was to obtain a comparative view of the forwardness of the several works, rather than to ascertain the total indebtedness of the State, I have omitted the task of making up the amount of the superintendence and damages. These items amount generally to about five per cent. on the cost of construction. By this rule the total expenditure made, or to be made, on every line, or portion of line, can be very nearly ascertained.

CENTRAL CANAL NORTH OF INDIANAPOLIS.

	DISTANCE IN MILES.	TOTAL COST WHEN FINISHED.	WORK DONE.	WORK REQUIR- ED TO COMPLETE.	
From Indianapolis to Broad-Ripple, -	9.03	\$227,548 27	\$227,548 27	- - - - -	Inc. basins for water power.
From Broad-Ripple to Stoney creek, -	13.27	185,780 00	- - - - -	\$185,780 00	Not located.
From Stoney creek to Dam at Wise's.	15.39	175,220 00	40,958 67	134,261 33	4 sections not let.
From Wise's to Dam at Andersontown,	7.93	111,352 00	41,725 67	69,626 33	Dam not let.
From Dam north to section 80, - -	1.43	96,782 00	- - - - -	96,782 00	Crosses W. river—not let.
From section 80 to Kill-Buck summit,	3.75	146,355 00	86,223 24	60,131 76	Near Alexandria.
Total, main line,	55.80	943,037 27	396,455 85	546,581 42	

FEEDER FOR SUMMIT.

	DISTANCE IN MILES.	TOTAL COST WHEN FINISHED.	WORK DONE.	WORK REQUIR- ED TO COMPLETE.	
From Dam to mouth, - - - -	7.83	\$123,124 00	\$104,026 77	\$19,097 23	Ends opposite Anderson- [town.
Total, main line and feeder from Indiana- polis to near Alexandria, - - - -	63.63	1,066,161 27	500,482 62	565,678 85	

On the line between Noblesville and Kill-buck summit, there has been paid about \$8,000 for timber and other perishable materials.

On the completion of the White-river feeder to Andersontown, there would be a surplus of water after supplying the canal, for 8 or 9 months in the year, which would be sufficient, on the fall of 30 feet, to propel about 20 run of stones for this length of time in each year.

CENTRAL CANAL SOUTH OF INDIANAPOLIS.

	DISTANCE IN MILES.	TOTAL COST WHEN FINISH- ED.	Work done	Work re-	
				quired to complete.	
		\$	\$	\$	cts.
From Indianapolis to Port Royal, - -	15 69	239,433 31	221,433 31	18,000 00	9 locks to finish.
From Port Royal to Sand Hill, - -	10 65	119,818 91	35,751 64	84,067 27	2 sections not let.
From Sand Hill to Martinsville, - -	4 00	40,000 00	00,000 00	40,000 00	Not let.
From Martinsville to White River feed- er, in Greene County, - -	71 00	1,060,000 00	00,000 00	1,060,000 00	Not let.
From White River feeder to Pigeon feed- er, - -	73 00	1,602,000 00	279,000 00	1,298,000 00	Only the heavy jobs under
From Pigeon feeder to Evansville, - -	20 00	238,092 00	238,092 00	0,000,000 00	Finished. [contract.
Total from Indianapolis to the Ohio river,	194 34	3,299,344 22	774,276 95	2,525,067 27	

WHITE WATER CANAL.

NAME OF DIVISION.	LENGTH IN MILES.	TOTAL COST WHEN FINISHED.	AMOUNT OF WORK DONE.		AMOUNT RE- QUIRED TO FINISH.		VALUE OF PERISHABLE MATERIALS.		Value of lock masonry built on dry founda- tions.	
		\$	\$	cts.	\$	cts.	\$	cts.	\$	cts.
From Ohio river to Brook- ville, - - - - -	30.81	654,915 76	654,915 76							
From Brookville to Laurel dam, - - - - -	14.31	315,818 54	202,691 99		113,126 55		18,640 37		32,334 00	
From Laurel dam to Con- nersville dam, - - -	10.13	262,471 75	50,718 75		211,753 00		3,558 15		4,464 50	
From Connersville dam to Greensfork dam, - -	8.31	183,330 65	43,107 65		140,223 00		11,949 32		1,933 75	
From Greensfork to Na- tional road, - - - -	5.84	141,184 24	41,050 54		100,133 70		9,456 14		2,569 20	
Total, - - - - -	69.40	1,567,470 81	1,002,234 56		565,236 25		43,603 98		41,299 45	

Finished and
[navigable.
Several miles
finished in de-
tached por-
tions.
Part not let.

do do do

A portion of the estimate for perishable materials is for the dressing of stone, which, though it might not be wholly lost, would be materially injured and defaced if left any time on the yard.

If the canal be not completed within a few years, the dry timber foundations on which the lock walls rest, will begin to rot, and thus cause a necessity for taking down and rebuilding the lock masonry, as above stated. The lock foundations having been formed with a view to their being immediately submerged, are composed generally of the most perishable timber, such as beech, sugar, &c.

MADISON AND INDIANAPOLIS RAIL ROAD.—GRADING AND BRIDGING.

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	Distance in miles.	Total cost when finish- ed.	Work done.	Amount paid.	Work requi- red to fin- ish.	Amount to be paid to fin- ish.	
From Vernon to Edin- burgh, - - - - -	32.91	\$ 336,051 01	\$ 176,931 04	\$ 148,598 04	\$ 159,119 97	\$ 187,452 97	Under contract— grading, &c.
From Edinburgh to Franklin, - - - - -	10.15	72,434 00			72,434 00	72,434 00	Not under contract.
From Franklin to Indi- anapolis, - - - - -	20.00	80,000 00			80,000 00	80,000 00	Not located—gra- ding &c.
Total,	63.06	\$ 488,485 01	\$ 176,931 04	\$ 148,598 04	\$ 311,553 97	\$ 339,886 97	Grading & bridging

SUPERSTRUCTURE.

From Vernon 6 miles north, - - - - -	6.00	20,105 28	Iron deliver'd	-	-	-	20,105 28	20,105 28	Not under contract.
From last point to Edinburgh - - - - -	26.91	228,244 45	-	-	-	-	228,244 45	228,244 45	" "
From Edinburgh to In- dianapolis, - - - - -	30.15	266,929 40	-	-	-	-	266,929 40	266,929 40	" "
Total,	63.06	\$ 515,279 13	-	-	-	-	\$ 515,279 13	\$ 515,279 13	

RECAPITULATION.—MADISON ROAD.

Grading and bridging, under contract,	\$336,051 01
“ “ not under contract,	152,434 00
Superstructure not under contract,	515,279 13

Total cost, - - -	\$1,003,764 14
Work done, - - -	176,931 04

Total work to be done -	\$826,833 10	to complete the
Add for depots, machine shops, wa-		Road from top of
ter stations, &c. - - -	30,000 00	Madison hill to
		Indianapolis.
	\$856,833 10	

Between Vernon and Columbus there are 42 sections, of which 13 are finished. By the first of August next, if funds are provided, probably 16 additional sections will be done.

NEW ALBANY AND VINCENNES TURNPIKE ROAD—GRADING AND BRIDGING.

	Distance in miles.	Total cost when finished.	Work done	Work required to finish.	
From New Albany to Paoli, - -	41.25	\$ 307,057 00	\$ 307,057 00		Completed.
“ Paoli to Mount Pleasant. -	27.12	145,261 00	68,396 00	76,865 00	Under contract.
“ Mount Pleasant to Vincennes,	36.63	128,205 00		128,205 00	Not under contract.
Total,	105.00	580,523 00	375,453 00	205,070 00	{ 2 White River bridges { not included.

METALLING.

	Distance in miles.	Cost when fin- ished.	Work done.	Work required to finish.	
From New Albany to Paoli,	41.25	\$ 209,977 00	\$ 209,977 00		Completed.
“ Paoli to Mount Pleasant.	27.12	135,600 00	000,000 00	135,600 00	Not under contract.

From the above statement it will be seen that to complete the grading and bridging to Vincennes, (not including the two White River Bridges,) and the metalling only to Paoli, will require the further expenditure of \$205,070.

To complete the grading and bridging to Vincennes, and the metalling to Mount Pleasant, will require an expenditure of \$340,670.

It will be seen that the road is considered as finished to Paoli. It may be that there is a small amount of work to be done on this division; but it can only be to the value of a few hundred dollars, and is therefore not material. Having had no charge of this road for the last year, I am not particularly advised.

If funds were provided, this road could be finished in about eighteen months.

JEFFERSONVILLE AND CRAWFORDSVILLE ROAD, N. DIVISION.

	DISTANCE IN MILES.	TOTAL COST WHEN FINISH- ED.	WORK DONE.	WORK REQUIR- ED TO FINISH.
From Greencastle to Raccoon cr.	14.70	\$37,164 74	\$62,854 58	\$24,310 06
“ Raccoon cr. to Crawfordsville,	14.00	42,000 00	000 00	42,000 00
Total	28.70	129,164 74	62,854 58	66,310 06

JEFFERSONVILLE AND CRAWFORDSVILLE ROAD, S. DIVISION,

	DISTANCE IN MILES.	TOTAL COST WHEN FINISH- ED.	WORK DONE.	WORK REQUIR- ED TO FINISH.
From Jeffersonville to New Albany,	4.79	\$143,050 00	\$124,266 00	\$18,784 00
From New Albany to Salem.	32.95	178,377 00	132,833 00	45,544 00
Total	37.64	321,427 00	257,099 00	64,328 00

The work on both the above divisions has been left in a condition to sustain much loss, if not soon finished, in the decay and loss of materials furnished. This remark is especially true in regard to the bridges over the large streams.

INDIANAPOLIS AND LAFAYETTE TURNPIKE ROAD—GRADING AND BRIDGING.

	DISTANCE IN MILES.	TOTAL COST		WORK DONE.	WORK REQUIRED TO FINISH.	
		WHEN FINISH- ED.				
From Crawfordsville to Lafayette.	26.70	\$87,736	70	\$61,019	94	\$26,716 76

As requested by a resolution of the House of the 26th inst., the undersigned has placed in the hands of Mr. Jones, chairman of the select committee appointed for the purpose of classifying the Public Works, a map of the State on which is plainly drawn the routes of the several Public Works authorized by the laws of the State.

Respectfully submitted,

J. L. WILLIAMS, Chief Eng.

R E P O R T

OF THE

C H I E F E N G I N E E R .

Laid on the table and two hundred copies ordered to be printed.

OFFICE OF CHIEF ENGINEER, }
INDIANAPOLIS, Dec. 31, 1840. }

TO THE HONORABLE SAMUEL JUDAH,

Speaker House of Representatives:

Sir:—Some days since the undersigned received a copy of a resolution of the House, adopted on the 18th inst. requesting him “to make a tabular statement for the use of the Committee on Canals and Internal Improvements, of each work separately, embraced in the system of improvement, except the Wabash and Erie Canal, as follows, to-wit:

- 1st. The length of line, and estimated cost of construction.
- 2nd. The amount expended on each work.
- 3d. The amount of expenditure required to finish the work.
- 4th. The estimated income per cent. on the whole cost of construction.
- 5th. The per cent. on the whole cost of construction to keep the same in repair.”

Before the answer to the foregoing inquiries was fully prepared, a second resolution of inquiry, adopted by the House on the 28th inst. was received, calling for "a tabular statement in gross on each of the Public Works, included in the system of Internal Improvement proper, showing the following facts, viz:

- 1st. The original estimates;
- 2nd. The amount of labor done and under contract.
- 3d. The sums of money already expended.
- 4th. What amount it will require to finish each work."

These two resolutions being in substance the same, with the exception of two or three inquiries, I supposed it would be more convenient if the whole of the information called for were embodied in one report. The annexed tabular statement, marked A. will furnish an answer to the several inquiries contained in both resolutions, so far as the data are within my reach.

Some explanation should precede this table in order to a full understanding of its contents.

For the Erie and Michigan Canal and the connecting work between the White-water and Central Canals, no surveys had been ordered previous to the session of 1835—36, when the Internal Improvement bill was passed, in which the construction of these works was ordered. In filling up the column of original estimates, in the table, I have taken the average per mile of the original estimates on the six other canals, as reported in 1835. This average amounts to \$13,761 per mile.

For the Rail Road between Jeffersonville and New Albany, no survey had been ordered previous to the passage of the bill of 1836. The original estimate per mile on other rail roads then reported, has been adopted for the original estimate of this road in filling up the table.

On the McAdamized road from New Albany to Crawfordsville, no estimate for metalling was reported to the Legislature previous to the passage of the act of 1836, in which this metalling was ordered, but only an estimate of the grading and bridging. For the original estimate of metalling on this road, I have adopted the average, then reported for the road between New Albany and Paoli. In all these cases where no original estimate had been made previous to the passage of the Internal Improvement bill, it is to be presumed that the Legislature, in considering the cost, had reference to the average estimate on other similar works.

For the improvement of the Wabash rapids no accurate estimate appears to have been before the legislature in 1836. The sum of \$80,000 is carried into the column of original estimates, on the ground that this sum bears the same proportion to the amount appropriated, that the estimates bear to the appropriations on other works.

The total cost of the several public works, or parts of works, here named, on which no survey or estimate had been ordered previous to the passage of the act of 1836, but which were directed by that act to

be constructed, amounts to \$4,187,932, as stated in the columns of original estimates.

Since the passage of the original act, the character of the road from Indianapolis to Lafayette, and also of the connecting work between the White-water and the Central canals, has been changed to a turn-pike road, which makes a material reduction in the cost. The estimated cost of these roads, as stated in the last column of the accompanying table, has been carried out at \$8,000 per mile; \$4,000 of which has been allowed for covering the roads with gravel, stone, &c., which is deemed sufficient to make a pretty good road, though not adequate to form a McAdamized covering, when stone is so remote.

On the New Albany and Vincennes road, the total estimate, as shown in the right hand column, is made out on the principle of allowing an average of \$4,000 per mile for the metal covering west of Paoli. This sum will form a very good road, though not sufficient to put on a regular McAdamized covering, which from the scarcity of stone west of Mount Pleasant, would be very costly. This will account for the present estimate on this road falling below the original estimate.

By comparing the total of the two columns containing the original and present estimates, on the works embraced in the act of 1836, it will be seen that the latter exceeds the former by the sum of \$2,520,184. It must be remembered, however, that three of the works have been changed in their character, and a cheaper work is now estimated than was originally designed. Deducting these three works from both columns, and confining the comparison, as it should be, to those works which remain the same in their character, it will be seen that the present estimates, based upon contract prices, exceed the original estimates, by the sum of \$3,505,283, which is equal to an average increase of about 27 per cent.

The increase of cost may be accounted for on some of the lines, by the adoption of more permanent and more costly structures than were originally estimated. This remark will apply particularly to the White-water line. In making the original estimates of the locks on the upper division, sixteen of them, between Brookville and the National road, were estimated of rough dry walls lined with timber. These locks are now being constructed of cut stone, and in the most permanent manner, by which change of plan, the first cost of the canal has been increased as much as \$80,000: but the future cost of repairs will be much reduced by the change. No one who has observed the excellent quality of the stone, and the superior manner in which the locks are progressing, and who considers the future saving which will be realized in the cost of repairs, will doubt the propriety of this change.

A part of the large increase of cost on the Madison and Indianapolis road, may be accounted for in like manner, by the adoption of a heavier and more permanent iron rail than was originally estimated.

But the principal cause of the increased expenses must be attributed to the very great advance in the cost of provisions and labor from 1835 to 1838. That the cost of public works must always vary with

the fluctuations in the value of labor, and of provisions for the support of that labor, is a self-evident proposition. The cost of these items always forms the main element upon which the Engineer bases his computations of the cost of a projected work. Any great change in these elements, from the time of estimating the probable expense of a public work, to the period of its construction, must, of course, produce a corresponding change in the cost.

By reference to an authentic source of information, I have ascertained, that the average price of flour in the city of New-York, (which to a great extent governs other markets,) during the years 1834 and 1835, was \$5 40 per barrel; while the average price during the years 1837 and 1838, was \$9 56; shewing an increase from the time when the original estimates of our public works were made, to the period when most of the labor was performed, of 77 per cent. The increase in the price of pork, in the same market, during the same time, has been 47 per cent.—giving an average increase in the cost of provisions of 62 per cent.

During the year 1834, common laborers were employed on the public works then in progress, for about \$13 per month. But in 1837, the average price paid by the contractors throughout the State was near \$19 per month, as will be seen by a statement in my annual report of that year; which shows an advance in the cost of labor, corresponding very nearly, as it always must in this country, with the advance in the value of the leading products of agricultural labor.

These facts, it is presumed, will be viewed as a sufficient cause, on most of the public works, for the excess of the actual cost over the original estimates.

The first estimate of a canal or road, which should only be viewed as an approximation, is necessarily made from hasty surveys, and without the advantage of accurate cross levels, and for this reason it not unfrequently happens, that the accurate measurements of the quantities of excavation and embankment on the construction of the works, varies considerably from the original measurement. As the undersigned had no immediate charge or control of the original surveys and estimates, on which the bill of 1836 was based, (excepting on one of the canals,) he is not able to determine what part of the excess of cost is justly attributable to such variation in the measurement of quantities.

The excess of actual cost over the original estimates, it will be observed, is much greater on some lines than on others. It appears to be larger on the roads from Madison to Indianapolis, and from Jeffersonville to New-Albany, than on any other routes, amounting on each of these lines to more than 100 per cent.

The 4th inquiry contained in the resolution of the 18th inst., has respect to the probable income of each work. In regard to this point, I beg leave to state, that I am without the data upon which to predicate an estimate that could be relied upon. In forming an opinion as to the probable productiveness of each work, the best guide within the reach of the legislature will be found in the actual results on

improvements of a similar kind, and in similar locations in adjoining States.

The 5th inquiry relates to the cost of repairs.

On this subject I had the honor of submitting a report to the Senate on the 14th of January, 1839, (see Documents of that session,) which contains the most authentic information. In that report it is stated that the average annual repairs on the Ohio and New-York canals, which correspond in dimensions with ours, is about \$300 per mile: that the ordinary annual repairs of a rail-road, such as ours, would amount to about \$250 per mile, besides the renewal of the wood work of the track once in 6 or 8 years; and that the ordinary repairs of a McAdamized road would be about \$100 per mile yearly, besides the cost of renewing the metal once in 10 or 15 years, in proportion to the amount of travelling on the road.

All which is respectfully submitted.

J. L. WILLIAMS,
Chief Engineer.

R E P O R T

OF THE

C H I E F E N G I N E E R .

Laid on the table, and one hundred copies ordered to be printed.

OFFICE OF CHIEF ENGINEER, }
INDIANAPOLIS, DEC. 26th 1840. }

TO THE HON. HOUSE OF REPRESENTATIVES:

The undersigned has received a copy of a resolution adopted by the House on the 21st inst., requesting him to report to the House "whether the Erie and Michigan Canal from the feeder in Noble county, to its intersection with the Wabash and Erie canal, will be advantageous or necessary for the furnishing of a sufficient supply of water for the last named canal, and if *advantageous only*, at what time it will become so, and to what extent, and under what circumstances, and if *necessary*, in like manner at what time, to what extent, and under what circumstances."

And likewise a resolution adopted on the 26th inst, requesting him to "lay before the House a tabular statement of the amount of work done on the Erie and Michigan canal, and the probable cost of completing the same from its feeders to Fort Wayne, in addition to the

amount of labor now done thereon—and whether any alterations have been made in the said canal, or its feeder with the view of supplying the Wabash and Erie canal east of Fort Wayne with water, and if so, what these alterations have been; and also the probable amount of available water power, made in constructing said canal, together with other information, as he may deem practicable.”

In reply to the several inquiries contained in these resolutions I would remark, that in the first report in relation to this canal made in 1836, it was suggested by General Mitchell, that the head branches of the Elkhart would furnish a surplus of water after supplying the Erie and Michigan canal, from the Elkhart to Fort Wayne. During the several dry seasons which followed however, it was observed that these streams were depressed greatly below what they gauged in 1836, and it was deemed necessary to make a reservoir of all the various resources relied upon for the supply of the canal. This examination was made with great care in the summer and fall of 1839 by Mr. Ball, and the results are stated in a special report from this officer, dated 10th Jan. 1840—which may be seen on page 232 of Documentary Journal of last session. From this report it will be seen that after collecting all the branches of the Elkhart, and also of Cedar Creek, available for the summit, and retaining their whole yearly discharge in reservoirs, a small annual surplus is shown, but which, however, is not greater than is requisite to meet the increase of trade, and provide for the many contingencies to which a summit deviation is exposed. It would not be safe to rely upon drawing away water from the summit feeders of the Erie and Michigan for the supply of the Wabash and Erie Canal.

By a reference to the same report it will be seen that it is proposed to construct a reservoir east of the summit, in the valleys of Week's branch and Black creek, which is on a level 62 feet below the summit, and situated $11\frac{1}{2}$ miles west of Fort-Wayne. This reservoir is to be filled by the lower branches of Cedar creek, taken out at points where they are of augmented size. This report shews that a considerable surplus will here be provided after supplying the line to Fort-Wayne, and that this surplus may be readily increased. In the construction of the Erie and Michigan, it has been our design to provide in this reservoir, a considerable surplus, which would increase the water power at the several locks, and also be applicable to the future wants of the W. & E. canal, should there be any deficiency on that work.

Since the first location of the navigable feeder from the middle fork, its width has been reduced from 40 feet to 32 feet. This diminution was deemed advisable rather for the purpose of making certain the supply on this summit, than with any view to supplying the Wabash and Erie canal from this source.

In the present state of the work, it is difficult to estimate with certainty the amount of water power that could be created by this canal. On the division under consideration, the principal power would be at the locks between Fort-Wayne and Week's branch reservoir. On this portion of line there are nine locks, at each of which it is proba-

ble that two or three run of stones might be driven. On the western division along the valleys of the Elkhart and St. Joseph, the water power will be much greater, probably equal to four run of stones at each lock, averaging the whole line.

The cost of construction from Fort-Wayne to the head of the Middle Fork navigable feeder, 50 miles in length, will be about \$850,000. Amount expended in construction on this division, about \$125,000, leaving \$725,000, as the probable sum required to finish this division. The several reservoirs, feeders, and catch water drains, necessary to supply this summit with water, renders this eastern division nearly twice as costly per mile as the remaining portion of the route thereon to the lake.

Respectfully submitted,

J. L. WILLIAMS.

REPORT OF N. B. PALMER,

ONE OF THE

FUND COMMISSIONERS,

DECEMBER 28, 1840.

FUND COMMISSIONER'S OFFICE, }
INDIANAPOLIS, DECEMBER 28, 1840. }

TO THE HON. HOUSE OF REPRESENTATIVES:

The undersigned is notified that the House of Representatives has adopted the following resolutions:

Resolved, That the Fund Commissioners' report to this House at as early a period as possible, if they have sold any State bond or bonds authorized to be sold by an act providing for the further construction of the Madison and Lafayette Rail Road, approved Feb. 6, 1839,—and if so, what amount—to whom,—and the nature of the contract or contracts.

Resolved, That the Fund Commissioner now in Indianapolis furnish to this House all the information that he may be in possession of, with regard to the Morris Canal and Banking Co. at the time our bonds were sold to that Company, as well as at the present: Also the situation of that Company, when our Fund Commissioner now in the east, exchanged with that Company formal bonds for those informal bonds, and the facts in relation to that exchange: Also the nature and sol-

vency of the collateral securities now taken by our commissioner for the security of our bonds: Also the nature and legality of the Iron contract; and the probability of obtaining that contract, and if he approved and signed the Iron contract, or the exchange of the formal bonds for those that were informal; and the liability of the state to pay the same; and any and all other matters in relation to the contract with that company, that he may be in possession of, and deem of service to the members of this House, and interesting to the public; and also report the amount of the rents which have been received from our establishments at Brooklyn; and also to enquire into and report the situation of the bank loan of about \$1,000,000 taken by the Morris Canal Company."

The Fund Commissioners have not, since the last session of the General Assembly sold any state bond or bonds authorized to be sold by an act providing for the further continuation of the Madison and Lafayette Rail Road, approved Feb'y 6, 1839. All the facts in relation to such sale were communicated to the legislature at the last session, and such subsequent action as has been had in relation thereto, was communicated to the General Assembly at its present session, in the annual report of the Fund Commissioners.

The undersigned is not able, from any data in this office, to state to the House of Representatives, what was the condition of the Morris Canal and Banking Co. at the time our bonds were sold to that Institution.

In reply to so much of the resolution as relates to the present condition of that Co., and of the situation of the Bank loan, and of the nature and solvency of the collateral securities taken as security for our bonds sold to that company. I will state that the amount due the state from that Institution, including the Bank loan is \$2,195,769, exclusive of interest.

The state holds as security as follows, viz:

650 shares in the Planter's Bank of Mobile.

74 shares in the Bank of Mobile.

625 shares in the City Bank of Buffalo.

50 shares in the Merchant's Bank, Mississippi.

13,600 shares in the Little Schuylkill and Susquehanna Rail Road Stock.

\$181,000 of stock in the Apalachicola land Co. (Florida.)

\$ 40,000 of stock in the Mississippi and Arkansas land Co.

Mortgage on the Coal Pier and Wharf, Jersey city.

Undivided third part of 210 lots in Jersey City.

North American Trust and Banking Co., certificates of Deposite for \$196,000.

Harlem 7 per cent. bonds \$17,000.

\$250,000 Beaver Meadow Rail Road Stock, subject to a lien of \$150,000 in favor of the Beaver Meadow Co.

Bonds of the Morrison Sussex Manufacturing Co. and the Morristown Iron Company for \$300,000 worth of Iron.

D. B. Hosbrook bonds secured by Morristown Valley rail road stock for the return of Indiana sterling bonds, \$87,121.

The bonds of Simon Draper for the return of Indiana sterling bonds, \$25,000.

Downer and Steinhouse notes for \$10,000.

Other notes and judgments, \$24,000.

250 Canal boats delivered to Maynot as the Agent of Indiana.

A mortgage on the Morris canal from Jersey City to Easton, subject to the Dutch lien on said canal from Newark to Easton of \$750,000.

The undersigned has already expressed his opinion in relation to this debt and the security held by the State as a guaranty for its payment.

I have not, subsequently to the period of presenting my annual report as Treasurer of State, been advised of any matter calculated to change my then expressed opinion in relation to either debt or securities.

My views were then expressed in general terms, nor am I at this time, able to give a particular detail of the character of all of the several and various items which constitute the securities. In all my intercourse in the short time spent in the east, I did not on any occasion, hear an opinion expressed by persons residing there, other than that the institution was bankrupt and insolvent. Its stock sold at the board at \$7 per share. Its canal produced \$70,000 per annum, its expenses were \$50,000, leaving but \$20,000 towards discharging its millions.

Its refusal to disclose its condition to a committee appointed by her London creditors, unless these creditors would first agree to loan her a large sum of money. Her utter inability to meet her current and accruing liabilities. The manifest fraud practised on Indiana, by obtaining possession of her bonds under the plausible pretence of informality in bonds previously purchased of the state, and the continued promises to return the bonds for years after she had disposed of them, and the poor excuse finally made, that she was unable to return or pay for them, but had used them for the benefit of Indiana, while she was indebted to the state in large amounts which she still continues to withhold.

The forfeiture of her solemn promises to return \$500,000 of the bonds of the bank loan, and of her subsequent disregard of her promises to pay the interest on the bonds for which she is indebted to the State. These, are among the reasons and facts upon which I based the opinion expressed in my annual Report, and which I still entertain.

Although some portion of the securities may be good, yet I have not a doubt, but much the largest portion are what are termed *fancies*, and have been, and still are greatly overrated, both in value and prospective availability.

The facts in relation to the informal bonds, and the subsequent action relative to exchanging others for them, are as follows, viz:

The Fund Commissioners in 1838 sold to the Morris canal and Banking company \$1,000,000 of Indiana bonds, and delivered them to the company. They were sent to London (to Mr. Jaudon it is believed) who disposed of \$700,000 to the Rothschilds, but they objecting to the form of the bonds, on account of their being no place designated for the payment of the interest, the agent of the Morris canal company agreed to procure other bonds, and exchange for those objected to. He accordingly wrote back to the Morris canal and Banking Company, desiring such new set of bonds to be sent over to London.

On the representation of the facts to the Indiana Commissioners, and the Morris Canal and Banking Company agreeing to pay the expense of engraving, they made the new set of bonds for the \$1,000,000 and delivered them to the company for the purpose expressed. The bonds were sent to London, and the amount in the hands of the Rothschilds were exchanged and sent back and delivered to the Fund Commissioners.

The remaining \$300,000 were not exchanged nor returned, but the Morris Canal and Banking Company have been constantly promising their return up to last spring, at which time it disclosed the fact that both sets of the bonds were out of its hands, and that it was not in its power to return or pay for them at the present.

About the 20th June last, I received a communication from General Stapp (then in New York) informing that the \$300,000 informal bonds were in the possession of the Bank of the U. S. of Pennsylvania, and that they desired the Indiana Commissioners to give that institution a new set of bonds in exchange.

In my reply to Gen. Stapp, I stated that I could not consent to such exchange, and further stated, "that if the retained bonds are in the hands of that institution, or with any other, so closely connected with the Morris Canal Company, and when there was such probability of being privy to, and participant in, the wrongful withholding the bonds, there cannot be a doubt, it appears to me, but it is our duty, to forthwith demand of the holder the surrender of the bonds, and notice that Indiana will not, from the nature of the transaction, regard herself as either legally or morally bound to pay them." I subsequently expressed in my correspondence with Gen. Stapp the same and like opinions. While at New York in August and September, I indicated that I remained unchanged in my views in relation to that matter.

Since I returned from the east, I have been advised by Gen. Stapp that he had given to the bank of the United States \$290,000 of our bonds to be exchanged (in part I presume,) for the \$300,000 irregular bonds originally delivered to the Morris Canal and Banking Company, and in regard to which inquiry is made in the resolution.

In reply to so much of the resolution as asks for the nature and legality of the Iron contract, and whether the undersigned approved or signed that contract, and whether I approved of the exchange of the formal bonds for those that were informal, and the liability of the state to pay the same. I will remark that I have no knowledge of the nature or features of the Iron contract, other than such as is communicated in

Gen. Stapp's separate report, recently made to the General Assembly, there being no papers in this office which will give any light upon that matter—all the papers in relation thereto being in the possession of Gen. Stapp in New York.

The undersigned is not sufficiently advised in legal matters to say, with any probability of being right, whether the State is legally bound to pay the retained bonds, but under a sense of duty did, in his late annual report, call the attention of the General Assembly to the question, whether, under the circumstances in which a large amount of our bonds were held, it would not be prudent and advisable to take some legal steps to protect the interest of the State from the great loss likely to result from their condition.

In addition to the foregoing statements in relation to my approval of the iron contract, and the exchange of formal for the informal bonds, I submit the following copy of a letter to Gen. Stapp:

Logansport, 16th July, 1840.

GEN. M. STAPP:

Dear Sir — In my last note to you, I reiterated my former expressed opinion against giving over new bonds in exchange for the retained bonds. I still remain of the same opinion.

I write to suggest that after the notice to the bank of the U. S., that Indiana will not regard herself as at all bound for the retained bonds, and sufficient time for reflection on the part of said institution after such notice; it might be advisable to hint to the Morris Canal Co., that if the bank of the U. S. will redeem the amount of the retained bonds in our Treasury notes, exchanging the bonds monthly as they may get the notes, that it probably might be so arranged; including in the same arrangement further and ample security for the old debt, in which might be included, if you think best,* iron to the amount of 1 to 3 hundred thousand dollars, to be taken as collateral security, and subject to be sold if the Morris Co. shall fail to meet its engagements. It should be as security on the old debt, taking the best guaranty for its delivery. I am now on my way to the Fort-wayne payment, and will write you more at large so soon as I return.

Very respectfully,

Your obedient servant,

N. B. PALMER.

“Our establishment at Brooklyn” was rented and occupied for about sixteen months, commencing in August, 1838, by the Staten Island Whaling company, at an annual rent of \$5,000, which amounted for

* In a letter from Gen. Stapp of the 31st May last, he advised me that the Morris Canal company, offered to pay Indiana for the \$300,000 retained bonds, and give as security for its delivery the bonds of two Iron companies.

the time occupied to	-	-	-	-	\$6,250
That Co. paid in cash,	-	-	-	\$999 00	
By improvements, taxes, and fixtures,	-			5,251 00	
					6,250

It was then rented to Arnold & Lathrop at a rate of \$1,500 for first year and \$2,000 for second year, but at the end of ten months they gave it up and offered to give in payment of the rent for the time they had occupied, an amount of improvements and fixtures which they alleged cost \$2,500, and Gen. Stapp, on these conditions, took it back and estimated the value of the improvements and fixtures at \$2,000.

The establishment is now rented for six months at \$1,000, with the option of keeping it a year at \$1,500. The first half of the year being most favorable for operations.

All which is respectfully submitted.

N. B. PALMER,
Fund Commissioner.

MR. BOWLES'

PREAMBLE AND RESOLUTION,

AND THE REPORT THEREON

BY MR. DEFREES,

From the select Committee to which it was referred.

On Dec. 18, 1840, Mr. Bowles offered the following preamble and resolution:

Whereas the following preamble and resolution was introduced into this House on Thursday the 10th instant, by Mr. Smydth of D.

Whereas on this day certain members of this House entered their protest on the journals of the same, against a resolution adopted on yesterday on the subject of public printer, assigning as a reason for their protest that said resolution had been referred to a select committee, with instructions to inquire into, and report the facts in relation to the same. And whereas the said select committee to which said resolution had been so referred, did report upon every material fact embraced in said resolution, with proper reference to the same:

Therefore,

Resolved, That in fact there is not the least probable ground for such a reason as that assigned by the protesting members in as much as the

facts which the said select committee set forth in their report, are established by the recorded proceedings of this House, and by the records of the Marion circuit court.

Whereas, Mr. McCoy moved the indefinite postponement of said resolution and the ayes and noes being demanded by Messrs. Smydth of D., and Burton

Those who voted in the affirmative were

Messrs. Boon, Bowers, Burton, Byers, Carr, Casey, Chrisman, Clark of Fountain, Clark of Tippecanoe, Conwell, Dunbar, Kyle, Lucas, McCoy, McCully, Newell of Fountain, Newell of White, Read, Ritchey, Rippey, Saylor, Schoonover, Shanks, and Mr. Speaker.—24.

Those who voted in the negative were,

Messrs. Atherton, Ball, Blair, Blankenship, Bowles, Bradbury, Brenton, Brown, Burgess, Butler of Cass, Butler of Vanderburgh, Champer, Chiles, Clark of Dearborn, Coffeen, Cole, Coleman, Conner, Defrees, Dowling, Dunn, Elkins, Farrington, Foote, Freeman, Goodenow, Hamer, Harding, Harrah, Harrison, Hiatt, Houghten, Howe, Jenckes, Jones, Kerr, Leslie, Mason, Matson, McCrillis, Miller, Montgomery of W., Morgan, North, Peck, Quick, Rawlings, Rayburn, Russell, Shawhan, Shortridge, Sloan, Smydth of Davies, Smith of Fayette, Stanford, Strattan, Terrell, Welch, Wilson, Woodard.—69.

The resolution was not indefinitely postponed.

And Whereas, Mr. Walpole then moved to amend and insert as follows:

“Strike out all before, and after the word resolved;” and insert “that it is the opinion of this House, that due and proper consideration was given by the select committee to whom was referred the resolution of this House on the subject of public printer, and that the conclusions set forth in the protest of W. A. Bowles and others are not justified, in the opinion of this House.”

When, Mr. Montgomery of Warren moved to lay the resolution with the pending amendments on the table.

And the ayes and noes being demanded by Messrs. Dowling and Smydth of D.,

Those who voted in the affirmative were

Messrs. Atherton, Blankenship, Boon, Bowles, Brenton, Brown, Burton, Butler of Cass, Byers, Carr, Casey, Champer, Chrisman, Clark of Dearborn, Clark of Fountain, Clark of Tippecanoe, Coffeen, Coleman, Conwell, Dunn, Dunbar, Farrington, Freeman, Goodenow, Graham, Hamer, Henley, Kyle, Lucas, Mason, McCoy, McCully, Miller, Montgomery of Warren, Morgan, Newell of Fountain, Newel of White, Peck, Quick, Rawlings, Read, Rayburn, Ritchey, Rippey, Robbins, Robinson, Rose, Ross, Saylor, Schoonover, Shanks, Stanford,

Sweetser of Grant, Sweetser of Marion, Walpole, Wilson and Mr. Speaker.—56.

Those who voted in the negative were

Messrs. Ball, Blair, Bowers, Bradbury, Burgess, Butler of Vanderburgh, Chiles, Cole, Conner, Defrees, Dowling, Durbin, Elkins, Foote, Harding, Hannah, Harrison, Hiatt, Houghten, Howe, Jenckes, Jones, Kerr, Leslie, Matson, McCrillis, Montgomery of Gibson, North, Rulon, Runyan, Russell, Shawhan, Shortridge, Sloan, Smydth of Daviess, Smith of Fayette, Strattan, Terrell, Welch, and Woodard.—40.

And the resolution was laid upon the table.

Whereas, on Monday the 14th, Mr. Freeman moved to reconsider the vote taken on Friday last upon laying the resolution offered by Mr. Smydth of D., on the table. The vote was reconsidered.

And the question recurring shall the resolution lie upon the table? it was decided in the negative.

When, Mr. Smydth asked leave to withdraw said resolution.

Which leave was granted by the House, and the resolution was withdrawn.

And the Speaker ordered that all the proceedings in relation to that matter be taken from the Journal of Thursday last.

Therefore *Resolved*, That the decision of the Speaker authorizing any part of the proceedings of Thursday the 10th inst. to be stricken from the Journals of this House is unwarranted by well established parliamentary usage, and in direct violation of the 9th section of the 3d article of the Constitution of this State, which says, "Each House shall keep a Journal of its proceedings and publish them; the yeas and nays of the members on any question shall at the request of any two of them be entered on the Journals."

The preamble and resolution were referred to a select committee, consisting of Messrs. Defrees, Smith of Fayette, and Matson;

With the following instructions,

To inquire if the Speaker of this House did not invite an appeal from his decision; and also to inquire whether the time at which the decision was made by the Speaker, was not the proper time to test the sense of this House, as to the propriety of that decision, by taking an appeal therefrom; and also to enquire if the failure at that time to take such an appeal, was not equivalent to a unanimous acquiescence in the decision of the Speaker.

And on Tuesday Dec. 29th, Mr. Defrees made the following report:

MR. SPEAKER:

The select committee to whom was referred the preamble and resolution in relation to the proceedings of this House, and the decision of the Speaker thereon with certain instructions; introduced the 18th

inst., have given them their consideration and now submit the following

REPORT.

That, in the discharge of the task assigned them, it is not their design to go back to the origin of the transaction which has given so much difficulty the present session of the legislature. They are not required by their instructions to do so, and, if they were, it is unnecessary, as it is presumed all are informed in regard to an act as unprecedented as it was unjust.

The first inquiry presented by the instruction given your committee, is, "did the Speaker of this House invite an appeal from his decision at the time it was made?" To answer this inquiry in the affirmative, it is only necessary to take a view of the facts as they occurred previous to, and at the time mentioned in the preamble and resolution under consideration.

On the 10th day of December, inst, Mr. Smydth of Daviess, offered for adoption a preamble and resolution. The question was stated by the Speaker. A motion was made to indefinitely postpone—the ayes and noes were demanded and taken, and the motion was decided in the negative. Mr. Walpole then moved an amendment, and while that motion was pending, it was moved and carried that the resolution and amendment lie on the table. On the 14th inst. a motion was made to reconsider the vote, that the resolution and amendment lie on the table, and such motion to reconsider was adopted by consent. Pending the question which then recurred, that the resolution and amendment lie on the table, Mr. Walpole asked leave to withdraw his amendment, which was granted by consent, and, immediately Mr. Smydth asked leave to withdraw his resolution, which was also granted by consent. The question was then put to the Speaker, whether the proceedings should be withdrawn from the Journals? The Speaker took time to consider, and some hours afterwards decided, that the resolution and amendment being withdrawn, the whole proceeding *should* be withdrawn from the Journal. At the time the Speaker made this decision, *he, in clear and express language stated his wish* that, on account of the difficulty as well as importance of the question, some gentlemen would take an appeal so that the House might decide. An appeal was asked by two members, a gentleman of the majority, and a gentleman of the minority, but, the first, Mr. Robinson, stated that he was satisfied with the opinion of the chair, and only asked the appeal to gratify the desire of the Speaker. A gentleman of the minority (Mr. Boon,) then expressed his opinion that the appeal was not necessary, and was understood also to express his assent to the decision of the Speaker. Upon this suggestion from Mr. Boon the appeal was withdrawn, and the opinion of the Speaker being thus tacitly assented to by all the members, the Speaker directed the Clerk to withdraw the proceedings on Mr. Smydth's resolution from the Journal. So soon as this direction was given by the Speaker, a

member of the minority, (Mr. Henley,) rose and stated that he would enter his protest against the decision, and order of the Speaker. *Mr. Henley was present during the whole of the above procedure!* The promised protest was not offered by Mr. Henley, but, instead thereof, the preamble and resolution under consideration was presented by the gentleman from Orange county, on the 18th inst.

A comparison of the above recited facts with the last part of the preamble, will shew conclusively that the preamble does not set forth the truth of the case; as a part of the truth is suppressed. By such suppression great injustice is done the Speaker, inasmuch as by it means are sought to represent his conduct as despotic, when, in fact, he anxiously invited a full discussion of the question and an expression of the will of the House, and only decided on his own opinion when the House had, after full time for consideration, declined the appeal and assented to that opinion.

The resolution under consideration, denounces the decision of the Speaker as "unwarranted by well established parliamentary usage, and in direct violation of the 9th section of the 3d article of the constitution of this State."

In order to see whether this denunciation be in the least deserved, it may be well to examine that decision and see how far it is sustained by precedent drawn from the proceedings of the highest legislative assembly in our country, and how far it is sustained by good reason.

The constitution of the United States contains a provision requiring "each House of Congress to keep a journal of its proceedings," in the same manner as does our constitution. What has been practiced under it in Congress may be well quoted as good authority for the government of this House. In the year 1806, under the administration of Mr. Jefferson, a memorial was presented to the Senate from certain persons then under conviction for offences committed against the laws of the United States. This memorial reflected strongly on the conduct of the President, and its tenor was entered on the Journal by the Secretary. On the same day it was, on motion, erased from the Journal, and the power of the Senate to do so was undisputed, because it had the control of its own Journal during its session.

A similar procedure occurred in the House of Congress on the 22d of February, 1822. Mr. Randolph of Virginia, learning that Mr. Pinckney had that day died in the city of Washington, rose and moved that in consequence thereof, as a mark of respect, the House be adjourned until the succeeding day, which motion prevailed and was spread upon the journal. It so happened Mr. Randolph had been misinformed, and that Mr. Pinckney was not dead at the time, and on the next day, the whole proceedings were erased from the journal. Thus it appears, by the precedent first quoted, that even the rejection of a memorial is not such a proceeding as should be placed upon the journal, and by the second, that a resolution, after an affirmative action of the House, may be erased from its journals; then, if this be true, and it cannot be doubted, with what propriety can it be contended that a resolution and amendments, withdrawn before they receive the concurrence of

the House, should not be also withdrawn from the journal? It cannot be so contended with the least semblance of reason.

In commenting on the power which each House of Congress has over its own journal during its session, it has been properly remarked by a distinguished statesman, that "while the constitution requires each House to keep a journal of its proceedings, it does not direct how that journal is to be kept. The manner of keeping it, what shall be put upon it and what not, the nature, the form, the fulness of the entries, are all left for the regulation and control of the body whose duty it is to keep a journal. In these respects, there is a great diversity of usage among legislative bodies. By some the entire bill, when presented for its action, is spread on the journal, and by others, only the title of the bill is entered."

Let us examine the correctness of the decision, aside from the above precedents. The House is required to keep a journal of its proceedings. Courts of record are required to keep a complete record of their proceedings. Every lawyer well knows that when, pending a cause, a plea or demurer is withdrawn, it and the proceedings dependant on it are not entered in the complete record. This undoubtedly is, because, in contemplation of law there is not any proceeding. So in legislative action, if a motion is withdrawn before any affirmative action, it need not appear on the journal, because there has not been any action by the House; because indeed nothing has been done. This view is in accordance with the rule of the House, that "before decision or amendment, a motion may be withdrawn." Will the refusal of the House to amend, preclude the mover from withdrawing his motion? Assuredly not, for there has not been any amendment.—Nevertheless, in one sense, there has been a decision. The House has decided to refuse the amendment. This example fully illustrates the meaning of the term "*decision*," in the rule. It shews that that word means affirmative action, not a refusal to act—the doing something, not the refusal to do a particular thing. In other words—until the House has decided to do something; either to dispose of or to amend the motion, the mover may withdraw it. In the case under consideration, no amendment had been made, but the House had refused to postpone the resolution. Is that refusal to postpone, such a decision on the resolution, as brings the case within the rule? Would a refusal to amend bring it within the rule? No, because only an amendment would have that effect. If a refusal to amend is not a decision, in what is a refusal to postpone different? Wherefore shall the one be deemed not a decision and the other be deemed a decision? If this view be correct, Mr. Smydth's resolution was without decision and without amendment, and being so, might, according to the rule, be withdrawn. What then is intended by the term "*withdrawn*" in the rule. We know its meaning in its ordinary acceptation; we know its meaning, as shown above, in legal proceeding, is similar to that in its ordinary acceptance; wherefore should its meaning in legislative proceedings be different? In all these cases it means to take away; and such is its ordinary meaning at the Clerk's table according to every

day's practice. Almost daily, often repeatedly on the same day, motions are made and seconded, and are stated by the Speaker; whereby according to the rule they are in the possession of the House; nevertheless, motions thus situated are constantly withdrawn, without insertion on the journal. If it is said that in such cases, it is done by unanimous consent, we reply, that unanimous consent cannot discharge the obligation of the constitution. The constitution does, or does not require that the motion be journalized. If it does require it, consent cannot excuse the performance of the duty. Hence we may infer that, according to the uniform practice of the House, motions previous to decision, are not deemed proceedings of the House if withdrawn. It is then asked, if an entry on the journal in such case, is not required by the constitution, whence the practice, if any such there be, which requires the consent of all the members to withdraw from the journal the entry made on a motion withdrawn? Where is the rule? There is no rule, and there is no such well founded practice.

In the opinion of the committee, Mr. Smydth's resolution was actually withdrawn from the House, not only from its action, but from its possession. It ceased to be in the possession of the House. It could not form any part of the Journal; and it would be strange indeed, if when the resolution, the principal is withdrawn, negative proceedings on it, mere attendants, which could not have been without it, could remain.

Whilst the committee contend that a legislative body, has a complete control over its own Journal during its session they want it distinctly understood that they deprecate the doctrine advanced a few years ago, that a subsequent legislative body can constitutionally "*expunge*" the proceedings of their predecessors. It can have no control over the Journal of the preceding legislature,—because the very moment of final adjournment the entries which have received its sanction, become a complete record of its proceedings and cannot be expunged without a violation of the constitution.

The committee are instructed to inquire "whether the time at which the decision was made by the Speaker was not the proper time to test the sense of the House, as to the propriety of that decision, by taking an appeal therefrom," and, if so, the failure at this time to take such appeal was not equivalent to a unanimous acquiescence in the decision of the Speaker."

The committee are of opinion that, when a decision of a question is made by the Speaker, the only proper course to be pursued by those dissatisfied with it, is to take an appeal immediately. Failing to do so at the proper time, the subsequent introduction of a resolution condemnatory of the very decision thus tacitly acquiesced in, cannot it seems to us, be justified. This applies to ordinary cases,—but, the one under consideration is of unusual character, inasmuch as the Speaker expressed doubts himself as to the correctness of his decision and called upon the House for an expression of its opinion as above recited. Under such circumstances the introduction of a resolution denouncing

the decision of the Speaker as unprecedented and in violation of the constitution, must be viewed in no other light than the prompting of a disposition to seek every opportunity, no matter how unjust, to censure the conduct of one who has, in the discharge of his official duties, evinced no other feeling than should actuate an individual occupying his station.

Aside from the above arguments in support of the decision made by the Speaker, which to our minds are satisfactory, there is another view of the matter which cannot but convince all unbiased by *partisan feeling*, that the preamble and resolution under consideration should not be entertained by this House. It is this: all must admit that, by unanimous consent, the House can control its own Journal. When the Speaker expressed his opinion that the proceedings should be withdrawn from the Journal, and the House refused to appeal, that refusal amounted to a unanimous consent. Can it be supposed then that the House will now condemn the Speaker for its own action, as in fact the decision complained of was made the act of the House, by its concurrence therein. The committee then, conceiving the decision of the Speaker to have been correct, especially when acquiesced in by the House—and because the preamble suppresses several facts attending that decision, with a view of setting the Speaker in a false position before the country, and because the resolution wrongfully denounces that decision, as a violation of the constitution, it is the opinion of the committee that they are unworthy the regard of the House and should be rejected.

JOHN D. DEFREES,
CALEB B. SMITH.

R E P O R T

OF THE

CHIEF ENGINEER,

IN RELATION TO THE CROSS-CUT CANAL BETWEEN

TERRE-HAUTE AND THE FEEDER DAM.

Laid on the table and two hundred copies ordered to be printed.

OFFICE OF CHIEF ENGINEER, }
INDIANAPOLIS, JAN. 5, 1841. }

HON. SAMUEL JUDAH,

Speaker House of Representatives:

In obedience to a resolution of the House of Representatives of the 26th ult., requesting a statement of "the number of sections completed on the Cross-Cut canal between Terre Haute and the Feeder Dam; the number of sections yet to be completed; the probable cost of rendering said canal available—with such information in regard to the probable tolls and water power as may be in his possession," the following report is submitted.

The division of the Cross-Cut canal to which the inquiry refers,

is 25½ miles in length, divided, for the purpose of construction, into 51 sections. Twenty three of these sections have been reported as finished, and the remaining 28 sections not finished. Most of the 28 unfinished sections are very nearly completed. The total cost of this division is estimated at \$434,779, exclusive of superintendence and damages, of which \$357,480 has been performed, leaving \$77,299, as the sum required to render this division available.

The opening of this division will create a valuable water power at Terre-Haute and its vicinity. In my report of December 5th, 1837, the power at the town of Terre-Haute was estimated as equal to 37 pairs of mill stones, excepting for about two months in the driest season, during which there would be a scarcity of water. The power at this point is much needed, and would doubtless soon be improved at an annual rent of \$150 per run of stones, amounting to \$5,550. In addition to this, there would be power sufficient for a good mill at each lock between Terre-Haute and a point ten miles out. This additional power has been estimated as equal to 38 pairs of stones, which would ultimately be improved, though it would be less valuable than the power in town. Putting it at \$100 per run, it gives \$3,800, which added to the power at Terre-Haute, as above, makes a total income of \$9,350 annually, for the water power of this portion of canal.

Respectfully submitted,

J. L. WILLIAMS.



REPORT OF THE COMMITTEE

ON THE

AFFAIRS OF THE STATE PRISON.

BY MR. DUNBAR.

JANUARY, 6th, 1841.

Three hundred copies ordered to be printed.

MR. SPEAKER:

The committee on the affairs of the State Prison, to whom was referred so much of the Governor's message as relates to the State prison, and the (October) report of the Visitor thereto, also, sundry resolutions relative to the appointment of a Chaplain for said institution, and for prohibiting the prisoners from performing manual labor on the Sabbath; and also a memorial from sundry citizens residing in the vicinity of the state prison, remonstrating against the convicts working outside of the prison walls, and praying the Legislature to adopt such measures as will more especially improve the moral discipline of the prison, and bring such habits of reflection and repentance home to

the prisoners, as may lead to instances of reformation of offenders which do not now exist; together with a petition or proposition made to the General Assembly, by Messrs. B. Hensley, A. C. Hensley, and Benj. Hensley jr. have had these various matters under consideration, and beg leave to report:

That after a serious consideration of the whole subject referred to them, they have come to the conclusion, that, owing to the embarrassed situation of the financial concerns of the state, and the necessity there would be for large outlays immediately on its part, to prove the necessary apparatus for employing the convicts, (as we have been informed that the state owns nothing at the institution now, except the buildings and the convicts) we think it would be impolitic, for the state to take the institution into her own hands, as recommended by his Excellency the Governor.

The committee have had under consideration the resolution for prohibiting the prisoners from performing manual labor on the Sabbath. From all the information, which they have been able to obtain on this subject, from persons who reside in the neighborhood of the state prison, the committee are inclined to think, that, the convicts are not usually compelled to labor several hours on the Sabbath. The prisoners have been heretofore, sometimes engaged in the manufacture of brick, and it has happened that when the newly moulded brick, were in the yard drying, a shower of rain would occasionally come on, on the Sabbath, when it would be necessary to take in the soft brick in the yard, to prevent them from being destroyed or very much injured. This is all the labor, as we have been informed, which has heretofore been performed on the Sabbath, and does not seem to the committee as *very* objectionable.

The committee have attentively examined and seriously considered upon a proposition made by the Messrs. Hensleys, above referred to, which proposition is in substance as follows, viz:

They, [said Hensleys] offer to take the institution for five years, subject to the laws now in force, or that may hereafter be passed relative to said institution; that they would feed, clothe, and govern the convicts, furnish raw material and tools of every description, necessary for carrying on the business of said institution advantageously. They would also furnish a sufficient number of carts, wagons, oxen, &c. &c. for the use of said institution; and as it would be necessary to work some of the convicts outside of the prison walls until shops could be prepared in the interior, they said Hensleys would furnish a brick yard with all its appurtenances, clay, &c. &c. for making brick. All articles of every description so furnished to the said institution, to be paid for out of the proceeds of sales of articles manufactured in said institution, and to become the joint stock of the state of Indiana, and the said Hensleys. The Messrs. Hensleys have on hand all the necessary material required for erecting shops, which they would build during the ensuing spring and summer, and charge the state for said buildings, whatever a commissioner appointed by the state authorities may estimate them at, to be paid for from the profits accruing to the

state during the first year. At the end of each year, the state should be entitled to one half of the net profits of said institution, and the said Hensleys would guaranty that the part coming to the state should not be less than four thousand dollars in any one year; and that the state should not draw more than four thousand dollars in any one year, from said institution—the overplus remaining as capital belonging to the state, to purchase raw material.

The attention of the Messrs. Hensleys would be turned principally to the manufacturing of bagging and rope, coopering, wagon making, and blacksmithing, so soon as shop room could be made; stone cutting might be carried on to some extent, though not very profitably.

As objections might be raised to the manufacturing of hemp, on account of the combustible nature of the material. Messrs. Hensleys state that as there would be no work done at night, there never could be fire in any of the shops, in which hemp would be manufactured.—In this particular, the cooper's is the most dangerous shop in the prison.

The Messrs. Hensleys have been many years engaged in the manufacturing of hemp, and consider Jeffersonville the most eligible point in the west for that business. By reference to the late reports of the "Agent and Keeper" of the Kentucky Penitentiary, it may be seen, that, that institution has realized large profits, chiefly derived from the manufacturing of bagging and rope. The machinery necessary for carrying on this business could be mostly made in the prison, such as could not be made there would have to be paid for by the institution: and at the end of the term, the whole of the machinery for the manufacturing of hemp, should be the property of the State free of Charge.

The Messrs. Hensleys are willing to come under any obligations as to the personal treatment of the convicts that might be prescribed by the Legislature.

The Messrs. Hensleys would employ a physician whose duty it should be to visit the prison at least once per day, and oftener if necessary, inspect cells, clothing, provisions, &c., and report on oath to the legislature, annually; and they would also employ a competent clerk to be approved of by the legislature, who should be sworn to keep the books of the institution correctly. These officers to be paid out of the funds of the institution.

The Messrs. Hensleys would enter into bond with satisfactory security, as might be agreed on in detail.

The committee after much reflection upon the subject of confining the convicts within the walls of the prison, and furnishing them with employment—taking into consideration the fact that many of the convicts are persons who have never learned a trade, and are unacquainted with any craft which they could exercise within the walls, in conformity with the provisions of "An act relative to crime and punishment," which provides, that convicts shall be imprisoned in the State Prison at hard labor; and being informed that persons can in a very short time become so well acquainted with some part of the work which is required in the manufacture of bagging and rope. that their

labor may become profitable; and believing that this mode of employing the convicts (such of them as have not learned any trade or handicraft) is the most eligible mode in which such convicts could be employed, under present circumstances; the committee think that the interests of the state would be best promoted by acceding to the proposition of the Messrs. Hensleys. The reasons which influenced the committee, and led them to the conclusion to which they have arrived in this particular, are various.

Among these, are, *First*, The embarrassed situation of the financial concerns of the State, and the inexpediency in our opinion of making such large outlays, as would be required, if the State took the institution into her own hands.

Second, The great difficulty there would be in furnishing employment in any other manner, within the walls, as required by law, and prayed for by a large number of the citizens of Jeffersonville, and the vicinity.

Third, The facility with which the laborious part of the employment of manufacturing bagging and rope, can be learned by persons having no previous acquaintance with the business, gives that kind of labor a preference, in our estimation, over almost any other which could be proposed.

Fourth, The employment of the prisoners in the manufacture of bagging and rope, would not, in any way, compete with the labor or manufactures of the citizens in the neighborhood of the prison, which is now much complained of; it would also be introducing a new branch of business into our state, for, as far as this committee can learn, that business is not carried on to any extent in Indiana.

Fifth, If the state should take the institution into her own hands, and even commence the manufacture of hemp, upon her own account, she would be obliged to employ a suitable person, skilled in the business, to take charge of the operations, at a considerable salary; to purchase the raw material, the machinery, &c. &c.; all of which would be very burthensome to the state at present, and the profits might after all, on this plan be precarious. An officer employed, and paid a certain salary, might not feel so much interest in the profitable prosecution of the business, as one who had a share in the matter, and whose profits in fact depended upon the good or bad success of the undertaking.

If the proposition of the Messrs. Hensleys be acceded to, by the Legislature, it will be necessary to erect some additional shops, and enlarge some of the other buildings within the walls, so as to afford the means of employing so large a number within the walls, in so limited a space. It would also be desirable to erect a building near the northern extremity of the area enclosed by the walls; to serve as a chapel on the lower or basement story, and as a hospital above. These buildings would cost something considerable to the State, (say about twenty-five hundred dollars,) but as we learn, the Messrs. Hensleys have on hand the materials necessary for the erection of these buildings, and are willing to erect them, and take their pay for the same from the four thousand dollars, which the State will be entitled to, the first year. This arrangement will, in the opinion of the committee, be more ad-

vantageous to the state, than if she would undertake the buildings upon her own account.

With regard to the employment of a chaplain for the State Prison, the committee have had the same under consideration. We believe the true object of Penitentiary discipline, is the reformation of the offender, and not his punishment; and to effect this purpose, we are of opinion that religious instruction would be the most powerful engine that could be employed. The committee are therefore of opinion, that it would be proper to employ a chaplain on the part of the state, to conduct religious exercises in the prison on the Sabbath, and give such other instruction as would be in his power to the convicts, by which means, many of the unfortunate tenants of the prison, might come out from its walls much wiser and better men, than when they entered.

The committee deem it unnecessary, in this report, to go, more at length, into the reasons which induced them to come to the conclusion, at which they have arrived; and would respectfully ask leave to report the following bill to-wit:

REPORT

OF THE

CHIEF ENGINEER,

IN RELATION TO THE WABASH RAPIDS.

200 copies ordered to be printed.

INDIANAPOLIS, January 8, 1841.

HON. SAMUEL JUDAH,

Speaker of the House of Representatives,

SIR—I enclose a report prepared in answer to a resolution of the House of Representatives.

Respectfully,
J. L. WILLIAMS.

OFFICE OF CHIEF ENGINEER, }
INDIANAPOLIS, JANUARY, 5, 1841. }

HON. SAMUEL JUDAH,

Speaker House of Representatives:

The undersigned has received a copy of a resolution of the House of the inst. requesting him to transmit to that body, "a detailed account of the operations at the Wabash Rapids, under the act providing for a general system of Internal Improvements—embracing the amount expended of the specific appropriations—the amount of work done and the present state of the improvements—including a statement of the amount of materials prepared for the erection of dams, &c.—and whether all the contracts on the same have been abandoned or relinquished.

Before proceeding to furnish the information sought, it is proper to remark that the supervisory charge of the public works with which I was invested as Chief Engineer, did not extend to the improvement of the grand Rapids. From the commencement of the work, it has been wholly under the direction of another engineer, subject to the general control of the Commissioners in charge, in conjunction with the Commissioners on the part of Illinois. This circumstance is referred to as an apology for the want of detail that may be noticed in the statement presented, which has been prepared, not so much from personal acquaintance with the subject, as from the several reports of the Engineer of that work, found amongst the public documents.

In tracing the history of the operations at the grand Rapids, I find that the first contracts were made in 1837, embracing only the delivery of the stone, which was to be procured on the East fork of White River. After spending some time, and money in preparing boats, and in delivering a few hundred yards of stone, the contractors abandoned their job.

On the 26th of August, 1838, pursuant to public notice, the whole work was placed under contract, including the delivery of materials. The lock, which of itself, formed the east abutment of the dam, was let to Wm. Mudge. The dam, with the west abutment, was let to Baker, Reily, & Co.

By the last named company very little has been done, and it is believed they have relinquished their contract. Mr. Mudge made extensive preparations for the prosecution of the work, including boats for the delivery of the stone, examined and opened many stone quarries, and also performed some excavation for the foundation of the Lock. The stone along the east fork of White River is reported by the Engineers as of an imperfect kind, and much time and money seem to have been expended by the contractor in searching for durable

stone, opening numerous quarries, and in quarrying out stone which was afterwards found to be unfit for use. In this manner, the seasons of 1838 and 1839, seem to have passed away without making much progress in the construction of the lock, until finally the work was stopped in the general suspensions of the improvements of both states.

I am informed by the Engineer who had the charge of the work, that there are on the ground about 700 yards of stone and 400 barrels of water lime—and that there is some excavation for the foundation of the lock. Some timber has also been delivered for the dam, but the quantity I am not able to state. The balance of the expenditure has been made in preparation for work, stripping quarries, &c.

By the final report of the Engineer, dated November, 1839, it will be seen that the total expenditure on this work, including engineering, incidental expenses, and the survey of the river to its mouth, amounts to \$21,940. To this must be added \$5,000 awarded to Mr. Mudge as damages for the relinquishment of his contract, giving a total expenditure on this work of \$26,940, one-half of which has been paid by Indiana.

The amount of specific appropriations made for this work by Indiana, is,	-	-	-	-	-	-	\$100,000
By Illinois,	-	-	-	-	-	-	100,000

Amount expended,	-	-	-	-	-	-	\$200,000
							26,940

Unexpended balance of appropriations,	-	-	-	-	-	-	\$173,060
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—which is sufficient to complete the improvement.

Respectfully submitted.

J. L. WILLIAMS.

R E P O R T

OF MR. SWEETSER,

FROM THE

JUDICIARY COMMITTEE,

IN RELATION TO THE PAYMENT OF STATE BONDS.

Laid on the table and one thousand copies ordered to be printed.

MR. SPEAKER:

The Judiciary Committee to whom was referred a resolution of this House directing them to inquire into and report upon the following resolution, to wit: "The legal liability of the State of Indiana for the payment of her suspended debt, or liability created by the sale or hypothecation of State bonds, on which nothing has been received, or can be recovered by the State; and whether the Fund Commissioners were vested with power to negotiate the sale of State bonds on "time;" and if, in the opinion of the committee, there be no legal liability on the part of the State for the payment of the aforesaid bonds; whether on account of the Fund Commissioners having violated the law and transcended their powers of appointment, or in consequence of a failure on the part of the purchasers of the aforesaid bonds to comply with the stipulations of the contract, what course it would be

proper for the State to pursue to release her citizens from the payment of said bonds," have had the same under consideration and directed me to make the following report. The resolution contains two propositions which will be considered in the following order:

First. Were the Fund Commissioners vested with power to negotiate the sale of State bonds on 'time?'

The sales of State bonds on "time," were made under the 8th section of an act entitled "an act to provide for a general system of Internal Improvements," approved January 27th 1836, and the 1st and 2nd sections of an act entitled "an act amendatory of an act entitled an act to provide for a general system of Internal Improvements, approved January 27th, 1836," (the latter act approved February 6th, 1837.) The section of the first act referred to, is as follows: "The said Canal Fund Commissioners are hereby authorized and required, on behalf of the State, to contract with any individual, company, or corporation, at such times as may be directed by the Board of Internal Improvement, for a loan or loans, from time to time, in all not exceeding the sum of ten millions of dollars, on a credit of twenty-five years; said loan or loans to bear a rate of interest not exceeding five per cent. per annum, and to be negotiated that the same may be drawn and bear interest at any time, as early as practicable when they may be advised by the Board of Internal Improvements that it will be required for the progress of any of the works of Internal Improvements to which the same has been appropriated by this act, and the said Commissioners of the Canal Fund shall issue for such loans transferable certificates of stock in the name of the State, which, when signed by them, *shall be valid*; and to facilitate the purposes herein contemplated, the Commissioners of the Canal Fund shall have power to make such *arrangements relative to obtaining loans, the payment of interest thereon*, the transmission and deposits of money, as they may deem conducive to the interest of the State."

The two sections of the latter act are as follows: "That the board of Canal Fund Commissioners shall hereafter be designated and known by the name of the "Fund Commissioners of Indiana."

Section 2d. "The said Fund Commissioners in all future loans to be negotiated by them under the act to which this is an amendment, shall be, and they are hereby authorized to issue certificates of stock in the name of the state of Indiana, at a rate of interest not exceeding six per centum per annum, and shall have *power to make such arrangements relative to making loans*, the payment of the interest accruing thereon, the transmission and deposit of money, as they may deem conducive to the interest and welfare of the state."

The state being a sovereignty cannot be sued nor forced to pay her debts to the holders of her state bonds; but she is morally bound to do that which an individual is bound to do both in law and equity. When the state has become involved in pecuniary difficulties, and subject to a heavy loss, from which she is desirous to extricate herself, and the legislature puts a construction upon the laws enacted by itself under which those difficulties have arisen, they require, if possible, an

examination as disinterested, as though the judgment affected not herself, but adjusted differences between other contending parties. No proposition is better settled than that the agent cannot exceed the powers granted to him by the principal; but the instrument granting the power shall be construed most strongly against the principal. When the power is specifically defined, but little is or can be left for construction, the extent of the power is easily determined. The same opinion would be formed by every one. But if the power is not specific or definite; if any thing is left to the discretion of the agent, then arises difference of opinion.

In the sections of the acts referred to and under which large amounts of certificates of stock were issued and sold on "time," are the powers of the Fund Commissioners definite, specific? In the opinion of the committee they are not. Much is left to their discretion. By those acts the Fund Commissioners are authorized to *contract* with any individual, company, or corporation for a loan or loans, from time to time, in all not exceeding ten millions of dollars—and to be negotiated that the same may be drawn and bear interest at any time. And to facilitate the purposes herein contemplated the Commissioners of the Canal Fund shall have power to make such *arrangements* relative to *obtaining* loans as they may deem conducive to the interest of the state. In these acts the powers of the Commissioners are defined and circumscribed only as to the amount to be borrowed, the rate of interest, time of payment, and certificates of stock to be issued. Every thing else in relation to obtaining loans is left discretionary with them. They were authorized to make such *arrangements* relative to obtaining loans as they might deem conducive to the interests of the state. Under this vast but discretionary power they sold to a corporation several millions of certificates of stock in the name of the State of Indiana, made negotiable according to the requirements of law, and delivered them. Said corporation paid between four and five millions to the Commissioners, pursuant to contract.

The proceedings of the Commissioners were from time to time laid before the Legislature and acquiesced in by that body. At length however the corporation became unable to pay for a large amount of certificates that had previously been sold on time and delivered to them. And because of that failure it is pretended by some that the state is absolved from redemption of the bonds, the Commissioners having no power to dispose of them on time. The purchasers of the bonds had only to look to the sections of the acts above quoted to ascertain the powers of the Commissioners.

In the case of Smith against Mosier decided by our Supreme court, at the November term in the year 1838, the question before the court was whether the Preemption act of Congress, passed 29th May, 1830, included lands remaining unsold after they had been offered for sale by virtue of a proclamation by the President. The court uses the following language; "Soon after its passage it received a construction from the Secretary of the Treasury of the United States, which was transmitted through the officers of the General Land office, to the

Receivers and Registers of the several land districts, and by them acted upon." This construction was that preemption rights extended, as well to lands which had been proclaimed for sale previous to the 29th, May, 1830, but which remained unsold, as to them which had not been so proclaimed for sale.

This interpretation by a high Federal officer, whose duty it was to execute the law, is certainly entitled to great respect; but had we no light on this subject, but what is derived from that source, respectable as it is, we should hesitate before we adopted the same opinion. We have, however, other guides to a correct conclusion. The framers of the law, themselves, have implicitly declared their intention in passing it, and have thereby sanctioned the construction of the Secretary. Since the passage of the statute, with full knowledge of the sense given to it by that officer, Congress has repeatedly renewed it without any explanation or alteration of its terms. This, we suppose, they would have done had their meaning been mistaken by the functionary on whom the execution of that and the reviving laws, devolved."

The sale by the Fund Commissioners on time was reported by them to three successive Legislatures, and by them acquiesced in. No one in either branch of that body raised an objection either to their power so to do or the expediency of it. Their proceedings were published to the world; and were undoubtedly, known to all dealers in stocks, in this country and Europe. It is conceived then that the Legislature sanctioned the construction given to the laws aforesaid by the Fund Commissioners; if there could be any doubt from the phraseology of the laws themselves. There is nothing in those laws prohibiting the sale of bonds on time. In fact the Fund Commissioners seem by those acts to be vested with unlimited discretion, except as before noticed.

It is conceded that if any of the bonds remain in the possession of the first purchaser unpaid for, the state is not liable for them, and their transfer may be enjoined by a court of equity, nor is she liable for those unpaid for which have been obtained from the first purchaser by fraud, but the burthen of proof would lay upon the state.

The committee are therefore of opinion that the sale of state bonds on time, heretofore made by the Fund Commissioners, by the phraseology of the laws under which sale was made, and the acquiescence therein by the Legislature, are valid and binding upon the state.

Secondly. If the Fund Commissioners were not authorized to sell bonds on time, is the state bound to redeem those so sold? If the committee have come to a correct conclusion upon the foregoing proposition, the solution of this question would seem unnecessary. But it seems to the committee, that by the terms of the acts aforesaid the state is bound to redeem the bonds sold on time and unpaid for, which are in the hands of bona fide purchasers for a valuable consideration, although the Commissioners were not vested with power to sell bonds on time. The certificates of stock were by those acts made negotiable, thrown into the money market and became mercantile paper. The purchaser had only to observe that they were executed according to law and obtain them by fair purchase. The law declared that

when properly executed by the Fund Commissioners *they should be valid*. The law merchant immediately attached to them, and made the maker, the state of Indiana, responsible. If the Commissioners acted fraudulently, or exceeded their powers they would be liable on their bonds, which the state was careful to require of them, but the rights of innocent purchasers of mercantile paper would be protected by any court of justice.

The committee cannot recommend any course for the state to pursue based upon the hypotheses contained in the resolution, but will take the responsibility of recommending a course to be pursued based upon the hypothesis contained in this report. The state is in great pecuniary embarrassment, but not ruined. Our lands are fertile, our inhabitants industrious and frugal. Our resources are now great, but as yet in a small degree developed. We ought with united effort, to come up to the rescue. The honor of the state must be sustained at all sacrifices, and her plighted faith remain inviolate. We ought to show ourselves the strong man, struggling with adversity, but with continued energy surmounting every obstacle. With these sentiments animating every bosom, no patriot need despair of the Republic.

P. SWEETSER, Chairman.

REPORT

OF MR. CHAMPER,

FROM THE

COMMITTEE ON FEDERAL RELATIONS.

Two hundred copies ordered to be printed.

MR. SPEAKER:

The committee on Federal Relations to whom was referred the report and resolutions of the Legislature of the State of Virginia, and other documents relating to a demand made by the Executive of that State upon the Governor of the State of New-York, claiming certain fugitives from justice, have agreed to the following

REPORT:

The committee have bestowed upon that subject the attention its importance demands. They suppose it not less unwise than improper, for one State of this Union, unsolicited, to take sides with another in a question agitated between any number of them, like the one under consideration. But, in the present instance, they deem it right, both as it regards the States at variance, and in justice to Indiana herself, that her position be defined. It will not be denied to be the privilege of any one of the States, and it may become her duty, fully to express

her views in questions of controversy between her sisters, that may involve the rights of others.

Your committee regard the question at issue between the States of New-York and Virginia, one of that character. They understand that question to rest upon the following statement of facts:

That, in the month of July, 1839, the Governor of the State of Virginia made a demand upon the Executive of New-York, for the surrender of Peter Johnson, Edward Smith, and Isaac Gancey, attached to the schooner Robert Center, then in New-York, who were duly charged, by affidavit regularly made before one Miles King, who was a Justice of the Peace, and then Mayor of Norfolk, with having feloniously stolen and taken from John G. Colley, a certain negro slave Isaac, the property of said Colley; with which demand the Governor of the State of New-York refused to comply.

The committee understand from the correspondence between the Executive branches of those two States, the question to be stripped of all technical objections, and placed on the broad ground that one State, in such case, is not bound to deliver fugitives from justice on the demand of another. On such statements of facts, if true, we could not hesitate in coming to the conclusion, that any one of the States, by the law of which such act is made felony, would have the right to demand, by legal course, a person guilty of such offence within her jurisdiction, as a fugitive from justice, of the Executive authority of the State to which he may have fled, and on such demand, he should be surrendered.

If it were deemed necessary to laboriously investigate this subject, the committee might go into an examination of the law of nations applying on such questions, which, they feel assured, would sustain, the position assumed by them. This however is rendered useless, by the investigation the legislature of Virginia has bestowed on that branch of the subject; in whose opinion also they concur. To arrive at a correct conclusion on this subject, the committee however believe it will be only necessary to turn to the constitution of our own country. They look to that instrument as not only recognizing the principles of the law of nations, but also as an extension of that law. It may be possible, that a case might occur under our constitution, in which a State should refuse to surrender a fugitive from justice, guilty of a trivial misdemeanor merely; but it is not at all probable, that any other State would pursue an offender in such a case. It is therefore, but reasonable to conclude, that a precedent of that kind, the one way or the other, will never happen in this republic. In the second clause of the second section of the fourth article of the constitution of the United States, this language is employed; "a person charged in any State with treason, felony, or other crime who shall flee from justice and be found in any other State shall, on the demand of the Executive authority of the State from which he fled, be delivered up, to be removed to the State having jurisdiction of the crime." The act here complained of is not treason; and whether it be a felony of sufficient atrocity, to fall within the class of cases recognized by the law of na-

tions, in such instances as the present question presents, is wholly immaterial; inasmuch as we believe it to be clearly within the meaning of the term, "or other crime" in the constitution. But if that were not so, the authority of the cases in 4 Johnson, Chan. Reports, page 113, and 9 Wendel, page 212, cited by Virginia, goes far to show it is within the rule governing between sovereign and independant nations, without regard to the constitution of the United States. The words treason, felony, and crime, (as is truly said by Virginia) are common law terms, and of the three, crime is a word of the most extended meaning. Blackstone, in his commentaries on the common law of England, defines crime to be "an act committed or omitted, in violation of a public law, either forbidding, or commanding it," and then says "this general definition contemplates both crimes and misdemeanors, which, properly speaking are mere synonymous terms, though in common usage, the word crime is made to denote such offences, as are of a deeper and more atrocious dye."

But it may be asked with much apparent reason, why did the framers of our constitution, if they did not intend to embrace any case that might, on any reasonable hypothesis arise between these states, and thus settle by positive law, such difficulties between them in convention in 1787, strike out the words "high misdemeanors," and insert in their stead the term "or other crime" as it seems to us it must be very evident, they supposed there was but little or no danger of any one state pursuing a fugitive from justice, into the territory of another, unless the injury done by his act, should be of such magnitude as to warrant it, of which we think the state whose laws are violated in ordinary cases, should be the judge. A different course would be as inconsistent with the interest, as the honor and dignity of the state demanding; we can scarcely suppose a case that can ever arise in this Union, in which a contrary doctrine should be held, especially when the tenderness for the life and liberty of the citizens, by the penal codes of all the states, and their modes of trial and punishment are considered, from which no danger of cruelty can be apprehended. But it is contended on the part of the executive of the state of New York, that the object of the provision in the constitution of the United States, relative to the demand of fugitives from justice, applies only to those acts, which if committed within the jurisdiction of the state where the person accused may be found, would be treasonable, felonious, or criminal by the laws of that state; that no law of New York at the time recognized—no statute admitted, that one man could be the property of another, or that one man could be stolen from another, and that consequently the laws of Virginia, making the stealing of a slave felony, did not constitute a crime within the meaning of the constitution.

If such construction be correct, it follows in the opinion of your committee, that in a confederacy like our own, composed of a number of independent sovereignties, divided by imaginary lines only, it would lead to the result of each in its turn, becoming an asylum for those who might choose to violate the criminal laws of the others. If such

rule be once recognized as settled, then is the harmonious action of these states interrupted. It seems to us a sufficient answer to that reasoning is to be found in the fact, that a person guilty of a crime in one of the states, if tried at all, must be tried in the state whose laws he has violated, no other state having the right to entertain jurisdiction of the case. It certainly cannot be just reasoning to say, because the act complained of, is not criminal in the state to which the offender may flee, therefore the executive of that state is the less bound to surrender him when legally demanded by the proper authority of the state, whose laws are broken.

The committee understand, that the states, which compose this union are sovereign and independant, and as such have the right to regulate by laws of their own enactment, their internal policy. If therefore, the slave holding part of them, make the stealing of slaves penal, as we think they have the right to do, it seems to us, that all the other states should regard those laws as binding on them, so far at least, as the principles, involved in questions of this character, are concerned.

All the powers not delegated away by the states, belong to them; and in their sovereign capacity, they may exercise them as they shall deem right.

Therefore, your committee are of opinion that the right to hold slaves by those states belongs to them by the federal compact; and as a consequence of that right, the power to place any value upon them they choose, and protect that property by such laws as they may make, if consistent with the constitution of the United States. Hence it seems to your committee, that a violation of the laws of any state on that subject, is a crime within the meaning of the constitution. If it were true that the constitution recognized such acts only as are criminal in the state where the offender should be found, then it would seem to us that one state would have the power to interfere to an alarming extent with the rights of the others, without leaving to them any redress but the resort to arms—the occurrence of which it was clearly the intention of the framers of the constitution not to encourage, but to prevent. It is truly said, that when the citizens of one state exercise their right of passing into the limits of another, it is on the tacit condition that they will conform to the laws of the state, into which they go; and if they violate those laws while there, for that infraction, we think they should answer unto that state, and none other. Any other conclusion would seem to your committee in direct contradiction of the constitution of the United States, as also opposed to the spirit and genius of all our institutions.

The committee do not deem it necessary to enter into a labored examination of this subject, but only to express the sense of the state on what they understand to be the general principle involved in the question.

They therefore recommend the adoption of the following resolution:

Resolved, That his Excellency the Governor be requested to transmit copies of this report to the Executives of the states of Virginia and New-York.

REPORT

OF MR. SMITH OF FAYETTE,

FROM THE COMMITTEE ON

CANALS AND INTERNAL IMPROVEMENTS

ON THE SUBJECT OF CLASSIFYING THE PUBLIC WORKS.

Laid on the table and 500 copies ordered to be printed.

The committee on Canals and Internal Improvements, to whom were referred so much of His Excellency the Governor's message, as relates to the subject of internal Improvements; also a resolution of the House directing them to inquire into the expediency of classifying the public works, having duly considered the several matters thus referred, make the following

REPORT:

The adoption of any system of operations upon our public works, is rendered unusually difficult at this time, by the pecuniary embarrassments in which the country is involved, and the unfortunate and disastrous change which has occurred in the condition of our financial affairs. These difficulties and embarrassments are not confined to our

own state, but are now operating to a greater or less extent upon every state in the union; and instead of being caused (as has been contended) by the prosecution of our system of Internal Improvements, are themselves the immediate cause of the prostration of that system and the suspension of operations.

The present condition of our public works is such as to excite serious apprehensions that without some prompt and efficient action of the legislature, no portion of the benefits expected by the people from them will be realized, while the large amount heretofore expended will be almost entirely lost; with a large amount of unfinished work under contract, perishable materials of great value collected upon the several lines, a large proportion of the money heretofore expended, so applied as to be wholly unproductive without still further expenditures, and those portions of the several lines which have been finished, in many places, sustaining great damage for the want of proper care and attention; we find ourselves without means to prosecute them further, unless the present Legislature shall provide them. In this state of affairs it becomes a matter of interest and importance to determine upon the proper course to be pursued. If it should be determined that the interest and honor of the state would be promoted by abandoning the system entirely—if the present legislature shall believe that the true interest and welfare of their constituents will be best consulted by sacrificing over six millions of dollars already expended, and with it the credit and honor of the state while they shall be subjected to the payment of taxes indefinitely to meet the accruing interest upon the money thus recklessly thrown away; the course will be a plain and easy one. All we shall then be required to do, will be to let things remain as they are, to do nothing. If on the contrary we should believe that the six millions of dollars now expended, should not be thrown away,—that the credit and honor of our young and growing state is identified with the progress of at least a part of the system she has begun, we must do something to rescue the country from the evils which are impending over it. In order to effect this, your committee are of opinion that every consideration of public policy and sound economy imperiously urge us to bring into requisition all the energies and resources of the state, to so far carry out the system in which we have engaged, as to preserve unimpaired our public faith, satisfy the just expectations of the community, and render available the large amount already expended in its prosecution.

While your committee entertain this view of the great importance of continuing operations upon the public works, they are fully aware that the simultaneous prosecution of all would meet with no favor from any quarter. This course of operations, with the numerous lettings upon detached portions of the several lines, rendering the amount expended almost entirely unproductive, and subjecting the state to loss from the decay and dilapidation of those portions which were finished, before they could be connected with other finished portions, have been a source of much evil and have greatly tended to bring the whole system into disrepute.

The utility and importance of creating artificial channels of trade and intercommunication between different sections of the country, is abundantly established by the experience of both Europe and the United States. They constitute veins and arteries to the body politic which diffuse health, vigor and animation throughout the whole system. In no state in the union are stronger inducements presented for their construction than in our own. Situate as a large portion of our territory is, remote from navigable streams, upon which our surplus products may be borne to a market; and those productions which constitute our greatest resource being bulky and difficult of transportation upon common roads; a large proportion of the actual wealth of the country is lost in the effort to transport it to points at which it can be converted into money.

The history of the last twenty years is replete with instruction upon this subject, and the lights of experience which are furnished by it, should not be lost upon us. Within that period, we have seen the commencement, the prosecution and the final and successful completion of many public works which are not surpassed in grandeur and magnificence by any of the works of art of the old world; and which have overcome not only the most important obstacles and barriers of nature; but the more imposing obstacles of prejudice and error. The progress of these works has been retarded and their projectors assailed by the same means which have been brought to bear upon our own. Ruin and disaster have been boldly predicted as the result of their completion. But in almost every instance, so far have been the predictions of their enemies from the truth, that the most sanguine anticipations of their friends have been more than realized.

Were the question now, for the first time presented whether we should commence a system of Internal Improvements, the propriety of engaging in one of less magnitude than that of 1836 would be conceded. Numerous causes combined to extend that system beyond the bounds to which its friends would have desired to limit it. The uncompromising hostility of those portions of the State through which none of the works passed, to any system, no matter how small, imposed upon them the alternative of embarking in the prosecution of a larger number of works than they desired or of abandoning altogether the design. The great facility with which money could then be obtained, the unexampled high prices which our staple products commanded, and the apparent prosperity which every part of the country exhibited, combined to unite public sentiment in its favor to a remarkable degree. The alternative of choosing or rejecting the system is no longer left to us. We have now to choose between sacrificing the amount we have already expended, or by further prosecution rendering it available.—between violating our plighted faith and sacrificing our credit abroad, or sustaining the reputation we have heretofore enjoyed.

Notwithstanding the magnitude of the system, and the adverse circumstances by which we are surrounded, it is believed by your committee that the resources of the State are fully competent to the

completion of all the works, by pursuing a judiciously modified system of operations. To effect this object the works should be classified. The means of the State should be applied to the prosecution of a small number, while operation upon the balance should be suspended. Those which can be completed and brought into use at the earliest period and with the least amount of money, and the completion of which will render productive the largest amount heretofore expended, should be finished as soon as the State can procure the means without an unreasonable sacrifice.

In adopting such a system of classification, many difficulties are presented. The great anxiety manifested in the vicinity of all the works, for their immediate prosecution, must of course create dissatisfaction among the friends of those which may be postponed. In a matter of such great importance to the country, sectional feelings and interests ought not to be consulted. The interest of the State at large should be our only guide, to diminish her burdens our only object. After a careful examination of the whole subject, with an eye to the general welfare of the State, your committee have come to the conclusion that the works should be divided into three classes, as follows: The White-water canal from Brookville to the National Road, the Madison and Indianapolis Rail Road from Vernon to Edinburgh, the New Albany and Vincennes turnpike road from Paoli to Vincennes, (except the metalling and the bridges over the two branches of White River) and the improvement of the rapids of the Wabash, to constitute the first class.

The Michigan and Erie Canal, the Northern division of the Central Canal; the Cross-cut canal; and the Rail Road from Edinburgh to Indianapolis, to constitute the second class.

The Southern division of the Central Canal; the road from Jeffersonville via New Albany, to Crawfordsville; the road from Indianapolis to Lafayette; the metalling and bridges over the White Rivers, on the Vincennes and New Albany road; the White-water Canal from the National Road to the mouth of Nettle Creek; and the connexion between the White-water Canal and the Central Canal to constitute the third class.

In this classification your committee have not embraced the Wabash Canal below the mouth of the Tippecanoe river, because in their opinion if Congress should confirm to the State the lands claimed by her for the prosecution of that work, it should be separated from the system of 1836, and prosecuted upon a distinct footing from the proceeds of those lands.

Upon the works embraced in the first class, there has been expended the sum of \$3,004,245. To complete those portions of them thus specified, will require the further sum of \$1,288,818, a sum much less than one-half the amount already expended. Without their completion the large amount already expended must remain wholly unproductive, while the payment of the interest annually accruing upon it, will be a constant drain upon the resources and industry of the community without any prospect of ultimate or final relief. Should they be prosecuted to final

completion the state will then be in possession of three works, the aggregate length of which will be about two hundred and twenty-five miles, exclusive of the improvement in the Wabash river, penetrating a densely populated and highly improved portion of our territory, and furnishing all the advantages of artificial channels of trade and commerce, while the tolls to be derived from their use, would greatly aid in paying the interest upon our public debt. Whether they would pay the interest upon the entire cost of their construction is a matter your committee cannot determine upon any other than conjectural grounds. Comparing them however with similar works in sections of the country similarly situated, there is strong reason to believe that they would yield a constantly increasing revenue, which would ultimately be sufficient to pay the entire interest upon their cost, besides keeping themselves in repair.

The Miami canal in Ohio, considering its extent now in operation, the character of the country through which it passes, the nature of the products which are conveyed to market upon it and the extent of trade which it commands, bear a more striking resemblance to the White-water canal than any other work of which your committee has any knowledge; and furnishes safe data upon which we may calculate the advantages to be expected from the White-water canal when finished. The Miami canal during the past year, notwithstanding the embarrassed condition of the country, has yielded in tolls an amount more than sufficient to pay the interest upon the entire cost of its construction, in addition to the cost of repairs and superintendence. A due regard to principles of sound economy would require us then to bring into use at as early a period as possible, a work requiring so small a sum to complete it, in comparison with the large amount already expended, and which affords so fair a prospect of being productive. The amount of tolls received during the past year, upon that portion of the Madison and Indianapolis rail road which is now in operation, furnish some evidence of the large amount of business which it may be expected to accomplish when it shall have reached the centre of the state. The vast extent of country whose rich products will seek an outlet to the Ohio upon it—the merchandise, iron, salt and other commodities which are required for the consumption of the country and which must be conveyed to the interior by its means, in addition to the conveyance of passengers, will produce an income which to say the least of it will pay the interest upon a much larger sum than that required for its completion.

The New Albany and Vincennes road is one of the most important thoroughfares in the state, being on the immediate route from Louisville to St. Louis; and the constant travel upon it which must be necessarily continued and greatly increased, renders its early completion a matter of the deepest importance both with reference to the receipt of tolls and the accommodation of the country through which it passes. In addition to the advantages of the work, the small amount necessary to complete it, so far as specified in this report furnishes a strong inducement for its early prosecution.

The necessity of improving the rapids of the Wabash river has long been felt, and the successful completion of the improvements already commenced, will give an impetus to the trade and prosperity of that fertile valley, the influence of which will reach every part of the state. The compact entered into between this state and Illinois for the completion of this work imposes upon us additional obligations to progress with its prosecution without unnecessary delay. And in a pecuniary point of view, your committee entertain the opinion that this work is not inferior in importance to any in which the state has engaged, as the revenue which may be derived from it will without doubt be equal to the interest upon its cost.

Assuming that the works embraced in the first class will yield a revenue of four per cent upon their cost, they will pay the interest upon the money necessary to complete them at six per cent per annum, and yield in addition the sum of \$94,392 00, to be applied to the payment of the interest upon our present debt. Or if they net at the commencement only three per cent upon their cost (and the most skeptical will surely not fix a lower estimate than this) they will meet the interest on the sum required to complete them, and leave in addition the sum of \$51,462 00.

Upon the works embraced in the second class there has been expended the sum of \$1,041,940. To complete them a further expenditure of \$5,033,339 will be necessary. So soon as the works embraced in the first class shall be completed, the importance of those embraced in the second will be greatly enhanced.

The northern division of the Central canal may be regarded as but a continuation of the improvement from the Ohio river north, and will furnish an important outlet from the Wabash and Erie canal through the centre of the state. The importance of completing the Erie and Michigan canal will be appreciated by all acquainted with the country through which it passes, and the variety and value of its products. These instead of being forced to seek a market through the tardy and hazardous navigation of Lakes Michigan and St. Clair, a distance of near twelve hundred miles, will then find an easy outlet through the Wabash and Erie canal to the north, or through the Central canal and rail road to the south, while its value in a pecuniary point of view is believed to be sufficient to justify the expectation that it will be a source of profit to the state. This expectation is founded in part on the fact that so soon as the canal may be completed so as to form a junction with the Illinois canal, a direct communication will be afforded for the transportation of the immense amount of merchandise required by the northern portion of Illinois, which must furnish a valuable and productive trade.

The Cross-Cut canal will furnish an important addition to the Wabash canal, which it is believed will be finished from the lands which we presume will be confirmed to the State under the original appropriation made by Congress, for the construction of the Wabash and Erie canal. The liberal proposition already made by a number of enterprising citizens of Vigo county, to guaranty to the State the pay-

ment of the interest necessary to complete the canal to the feeder dam in Clay county, from the water rents, provided the bonds of the State are furnished to complete it, indicates the value of the work as well as the great interest felt in that community in regard to its prosecution.

The committee have heretofore reported a bill providing for the construction of that portion of the canal, in accordance with the proposition above referred to, the passage of which they recommend to the House.

Upon the works embraced in the third class, there has been expended the sum of \$1,224,565. To complete them will require a further expenditure of the sum of \$5,164,765. The aggregate amount expended on the works embraced in the three classes is \$5,268,750, the amount yet to be expended is \$11,486,922. The several sums already expended and required to complete, include in each case the probable cost of superintendence, in addition to the actual cost of construction.

This amount although large, is not beyond the means and resources of the State, and if a judicious and economical system of operations shall be rigidly adhered to, the whole may be ultimately completed without producing serious embarrassment.

Your committee cannot indulge the belief that the present General Assembly will adjourn without marking out some course of future operations, which shall preserve the honor and credit of the State, and show to the world that our system is not utterly abandoned. The system of classification marked out in this report, will, in the opinion of your committee, if adopted and adhered to, effect that object and insure the ultimate completion of the works, while it will prevent so rapid a prosecution as will be likely to increase our present difficulties.

The people of the State have heretofore cheerfully paid the taxes which have been imposed on them to meet the interest upon their public debt. In doing this, however, they have been encouraged by the hope that at least a large portion of the works embraced in the system of 1836, would be completed, and that the great advantages which must result from their use would be realized, while the tolls which may be expected from them would at least greatly lighten the burden of taxation. If we should now abandon their prosecution, we deprive them of that hope which has heretofore encouraged them in bearing the burdens which the State has imposed upon them, while we leave them pressed down with the weight of a heavy public debt, the interest of which will be a constant drain upon their industry, and from which the future will afford no prospect of relief.

If the legislature should conclude to progress with a part of the works, your committee believe they should be prosecuted as soon as the means can be obtained, without incurring too heavy a sacrifice. Labor and provisions are now cheaper than they have been for many years. That the present low prices will continue is not to be expected. It would certainly be acting in accordance with sound economy, if the State should avail herself of those reduced prices in

the prosecution of her works before a change of times shall render their prosecution more expensive. An additional reason for their immediate prosecution may be found in the large amount of perishable materials now collected upon the several lines. Upon the White-water canal alone, the perishable materials on the unfinished portion above Brookville, amount in value to over forty-three thousand dollars, the most of which will in a short time be entirely lost, should the work not progress. In addition to this, a few years delay will cause the lock foundations, now constructed at great expense, to decay, which would render a re-building of the masonry necessary. The loss in this item alone would greatly exceed any difference which may reasonably be expected in the expense of procuring means at the present and any subsequent time.

From the state of the money market for some time past, we have no reason to hope that we shall be able hereafter to procure funds at less than six per cent interest. It is believed by your committee, that the works embraced in the first class may be prosecuted during the next season upon six per cent. bonds, either by selling them at par, or by paying for the work with them. Either course would be decidedly preferable to suffering the works to remain in their present condition.

Your committee report herewith a bill to classify the public works.

CALEB B. SMITH, *Chairman.*
 SAM'L HOWE SMYDTH,
 THOMAS DOWLING,
 DAN'L STRATTAN,
 W. TERRELL,
 JOHN D. DEFREES.

MR. JONES, a member of the committee, dissents from the above report.

REPORT OF THE MINORITY,

OF THE

CLASSIFICATION COMMITTEE,

BY MR. MORGAN.

Five hundred copies ordered to be printed.

MR. SPEAKER:

The undersigned the minority of the committee to whom was referred the resolution of this House relative to the classification of the public works respectfully beg leave to

REPORT:

That they have not thought proper to trouble the House or burden the Journals with a lengthy report. The object of a minority report being to review and reply to the reasoning of the majority, who in this case have thought proper to make none; therefore no necessity exists for a reply.

The undersigned are at a loss to conjecture by what kind of calculations or what course of reasoning the majority came to the conclusion that the interest of the state would be promoted, by placing the most costly of all the public works in the second class. By a reference to the report of the Chief Engineer, it will be seen that \$2,525,067 is required to finish the southern division of the Central canal, a work only one hundred and ninety four miles long, which the majority have thought proper to place in the second class; from such a classification of the public works, we felt bound to dissent for the following amongst other reasons. If our public works are to be further prosecuted, every consideration of interest, prudence, and economy certainly urges us to prosecute those works where the greatest portions can be made available with the smallest sums.

For the purpose of ascertaining how far this principle governs in the bill submitted by the majority, suffer us to submit a few estimates.

WORK.	Miles.	Amount to finish.
White-water canal, - - - - -	69.40	\$ 566,236 00
Madison Rail Road, - - - - -	85.75	826,833 00
New Albany and Vincennes Road, -	105.00	340,670 00
Road from Crawfordsville to Lafayette,	26.00	26,716 00
Road From Greencastle to Crawfordsville, - - - - -	28.00	66,310 00
Road from Jeffersonville to Salem, - -	37.00	64,328 00
Central Canal from Indianapolis to Killbuck Summit, - - - - -	63.00	565,678 00
Cross-cut Canal, - - - - -	25.50	77,299 00
	439.65	\$2,533,070 00

Thus it will be seen that about 439½ miles of the works above named can be completed for the sum of \$2,533,070, whilst 194 miles of the Southern division of the Central canal will cost \$2,525,067, only \$8,003 less than 439 miles of the above works.

Justice to ourselves compels us to say that we deeply deplore the infatuation that involved us in difficulties and embarrassment, and were we free from this incubus, we would be the first to raise our warning voices against embarking in a system so disproportioned to the means of the State to accomplish, and consequently, so ruinous. But situated as we are it becomes a grave question whether it would be the best economy to stop *now* or whether we had better struggle on a little longer.

Humiliating as it would be indeed to stop now, after having spent so many millions, without having a single work finished to test their utility, still we candidly confess we would bear the disgrace, if bear it we must, sooner than increase the burdens of our constituents. But,

situated as we now are, the question is not whether the works will pay the interest on the whole cost of their construction, but will they more than pay the interest on the additional sums required to complete them? If any work when finished will pay the cost of keeping it in repair, and pay the interest on the additional sums required to finish it, the people's burdens will not be increased by the completion of such work, because they will only have the same amount of tax to pay as before, and the increased facilities for transportation will enable them to pay it with greater ease. We believe the works named in the first class, and perhaps most if not all of the works named in the second class of the bill herewith submitted, are of this description. Yet we cannot consent to the finishing of more than one or two works till the experiment is fairly tested. Neither can we approve of any sale of State bonds for the present year at least, unless contractors will take them in payment of contracts, at cash estimates, and then only to a very limited extent.

If it is possible to render any portion of our suspended debt available let us prosecute our work with that, and let the sale of state bonds be the dernier resort.

The undersigned, living as they do, remote from any of the public works, could not be influenced by interest, prejudice, or partiality, in making their classification. They have carefully compared the amounts expended on the different works, the sums required to complete each, and the length of line that would be brought into use by such expenditures.

They have also taken into consideration the probable amount of transportation on each work, and their probable utility compared with their cost.

If, after as carefully examining the subject as our limited time would permit, we have come to the conclusion that the work that the majority put in the second class, ought to have been put in the last class, we hope it will be attributed, as we know it ought, to an honest difference of opinion.

JESSE MORGAN,
AARON RAWLINGS.

REPORT

OF MR. COLEMAN,

FROM THE SELECT COMMITTEE

On the subject of the National Road.

January 18, 1841—read first and second times, laid on the table and

100 copies ordered to be printed.

MR. SPEAKER:

The select committee to whom was referred a resolution on the subject of the Cumberland Road, have considered the matter therein contained, and have instructed me to make the following Report, with the accompanying Joint Resolution:

The committee find that as early as the year eighteen hundred and two, Congress proposed to lay out *and make* a road from Cumberland, in the state of Maryland, to the state of Ohio. A proposition was made to the people of the eastern division of the Territory northwest of the Ohio river, who were about to form a constitution and state government, that if they would provide, in convention, by an ordin-

ance that each tract of land sold by the United States, after a certain day, should remain exempt from taxation for the term of five years from and after the day of sale, the United States, among other stipulations, would apply one-twentieth part of the net proceeds arising from the sales of the public lands to the laying out and *making* public roads to the Ohio in said state, and through the same; the roads to be laid out under the authority of Congress with the consent of the several states.

It appears that the conditions were accepted by the state of Ohio with certain modifications. It also appears by subsequent acts of Congress, that these modifications received the sanction of Congress and that in pursuance of this compact, the President of the United States was authorized to appoint commissioners to lay out said road to the Ohio river, and on their report to pursue such measures as in his opinion were proper, to obtain the consent of the states to its location and *completion*. From a review of the various acts of Congress passed in pursuance of Executive recommendations, and the reports of Congressional committees on that subject, your committee are clearly impressed with the conviction that Congress is bound by the compacts entered into with the States through which the road is located, to complete the same. This opinion is strengthened and sustained by the recommendations of four successive Presidents: *Jefferson, Madison, Monroe and Jackson* have all recommended the completion of this great Western highway.

It has been located under the authority of the United States with their funds, and your committee are of opinion that it never entered into the contemplation of Congress to make the amount of the two per cent. fund, a condition upon which this road was to be finished. This opinion is strengthened and confirmed by the fact, that it was established by Congress, with the consent of the states, as a great National mail road, and as a means of affording facilities to emigrants, thereby enhancing the value of the public domain.

Your committee are of opinion that the Federal Government, the states through which the Cumberland road has been located, and the citizens who have made relinquishments to lands and materials, are contracting parties; and that each stands bound to the other, to observe the same good faith which should be observed between individual citizens. Were it otherwise, there could be no guaranty in any engagements made by either with the other.

Here a question may arise as to whether the conditions have been complied with, on the part of the states and their citizens. Your committee answer, *they have*; on the part of the states by a surrender of their two per cent. fund; and on the part of the citizens owning lands on the route, by executing to the Government, deeds of conveyance to lands and materials necessary for the location and construction of the said road, which were delivered to authorized agents appointed by the President of the United States for that purpose.

Your committee are further sustained in the position taken, by the several acts of Congress for the admission of Ohio, Indiana, Illinois

and Missouri into the Union. The act for the admission of Ohio into the Union provides for the location and *completion* of a road, under the authority of the General Government, to the state. The same provision is made in the act for the admission of Indiana into the Union, as also of Illinois and Missouri. Under the act of Congress for the admission of Illinois, Indiana may rely with confidence; and the act for the admission of Missouri secures the same benefits to Illinois, thus securing to these three western states, the final completion of the Cumberland road to the eastern bank of the Mississippi.

With a view more clearly and forcibly to establish the foregoing premises, the following extracts are taken from reports of committees of Congress upon that subject.

Mr. Tucker's report, from the committee on roads and canals, made at the first session of the fifteenth Congress, says: "The act in reference to the Cumberland road was approved by the President in office in 1806, and other acts confirming, amending and enlarging it were passed by subsequent legislatures in the years 1810, 1811 and 1813, and approved by the President in office at those periods—nay, more: the last three acts containing appropriations to the amount of \$210,000, payable out of any moneys in the treasury, but re-imbursable out of the Ohio fund, a fund which might or *might not*, prove adequate, and which, in point of fact, is believed hitherto to have proved insufficient."

The same committee submits as their opinion, that Congress has the constitutional power to construct roads on such terms as may be agreed upon with the states.

A similar committee on the same subject says that "good roads have an influence over physical impossibilities. By diminishing the natural impediments, they bring places and their inhabitants nearer to each other, they increase the value of lands and the fruits of the earth in remote situations, they promote a free intercourse among the citizens of remote places, by which unfounded prejudices and animosities are dissipated, local and sectional feelings are destroyed, and a nationality of character, so desirable to be encouraged, is universally inculcated."

"This road leads from Washington City, in a direct line from the seat of the National Government, to the important frontiers of the West, and if, as the committee suppose, it be the true policy of the Nation to have a direct communication for the entire distance, a road can be extended from Washington City, and passing as it will through a large extent of public lands, inducements will be held out to the western settlers to purchase them, and by the rapid increase of population, the necessity of keeping up a military force will be superseded. These constitute a part of the reasons for recommending an appropriation of \$300,000 at this time."

Your committee feel that an American Congress can never lose sight of an object so important as that of connecting a numerous and rapidly increasing population, spread over a fertile and extensive territory, with the seat of the National Government.

It is not intended, however, to expatiate upon the moral, political, and physical advantages of this road to the Nation. Congress, doubtless, entered fully into the contemplation of those benefits when it was first established. Experience has given the fullness of its sanction to the wisdom of their decision, and it is alike a matter of surprise and regret, that the work has been suffered, with the ample means of the Government, to linger for a period of more than thirty years, while the States, within the same period, have constructed many thousand miles of roads and canals which are alike beneficial to the Nation and the States by whom they have been made. A vigorous prosecution of it now, can alone, in any degree, repair the loss sustained by the States from past neglect; and in the opinion of your committee, no subject connected with the West, is more deserving the favorable consideration and early attention of Congress.

Your committee, presuming that the Cumberland Road is to be completed by means of the National Treasury, and that the compact is to be carried out in good faith, would recommend the acceptance of a proposition similar to the one made by the Hon. John Tipton in the Senate of the United States, on the 17th day of December 1838, which proposed "to make an appropriation sufficient to complete the said road to the Mississippi river or to Jefferson City, Missouri; the appropriation when made, to be paid over to the several States within whose limits the road is situated, in annual instalments, and discharge the General Government from any further appropriations.

R E P O R T

OF THE SELECT COMMITTEE

IN RELATION TO THE

RICHMOND AND BROOKVILLE CANAL COMPANY,

BY MR. LANCASTER.

January 18, 1841—100 copies ordered to be printed.

Mr. SPEAKER:

The select committee to whom was referred the petition of the directors of the Richmond and Brookville Canal Company, having had the subject under their consideration, make the following

REPORT:

The committee in entering on the discharge of their duty, were sensible of the difficulties that surround the consideration of every question respecting the subject of improvements at the present time; situated as the state is under much embarrassment, and undetermined

as yet in the course her future legislation should pursue, in reference to her public works. One truth however arrested their attention, and that was, the necessity, as imperative upon states, as to individuals, of finding relief from existing enthrallment, and securing success to any future enterprise, only by a prudent husbandry of their resources, and applying them actively, to their rescue and support.

Not the least of the evils attendant on our present situation, is that distrust entertained by different sections of the state, towards each other; so fatal to any compromise of conflicting interests—or concentration of public resources—ever essential to the accomplishment of important results. In conjunction with this indisposition to harmonize, the embarrassed finances of the state, and the condition of the money markets of the commercial world, by curtailing the means of an active prosecution, or early completion of the public works, present themselves as interposing serious obstacles, in the way of rendering available the expenditures of money hitherto made.

In this situation of the public interests and state of public feeling, it must be apprehended that any proposition in reference to public improvements, will incur the risk of a hasty and partial judgment, and perhaps of an unfavorable decision. When its merits, under a dispassionate and disinterested investigation, would entitle it confidence and support. The committee however, in view of the importance of increasing the production of those portions of the public works that are now completed, regard the proposition of the petitioners as claiming particular attention at the present time; and trust that its novelty will not deny it that consideration its intrinsic merit so justly demands.

The Richmond and Brookville Canal, which the company are actively engaged in prosecuting, is a branch of the White Water Canal, intersecting the latter at Brookville, and extending about thirty miles through the counties of Franklin, Union, and Wayne, to Richmond, its termination. "The taxable property of those counties in which the work lies, in 1839 amounted to \$9,423,051, nearly an eleventh part of the entire valuation of all the property of the state. And the portion of Franklin, the county of Union, the eastern half of Wayne, and the country north of them, which is accommodated *only* by this work, in consequence of lying either remote from the state improvements, or between them, and the market to which their products go, contain a population of near 40,000 inhabitants, and paid into the treasury in the year 1839, upwards of \$20,000.

The production of this portion of the State, is not exceeded by any other of equal extent in it. Richmond, at the termination of the work, contains a large and industrious population, and employs in its manufactures a far greater amount of capital and labor than any other town in the State. The extent of its trade, together with that of the whole region of country whose products this improvement is designed to circulate," as well as the peculiar situation of the district, differing from all the other boundaries of the State, in having no natural channel of navigation contiguous, imperatively demands an improved highway of the character which, (under the neglect of the State,) the

company have undertaken. This enterprise they have prosecuted with an energy which, considering the unfavorable condition of the times, marks the high confidence of that section of the State, in the utility—and the general conviction of the necessity—of the work; and affords the best guaranty of its productiveness when completed. It need not however be disguised, that when the company organized, it was confidently expected that the State would assist in its construction by a subscription of one-half its cost. The survey and location of the work, and order for the estimate of its probable production (aluded to in the petition) by the State—The practice of Ohio then recently adopted, of the State taking one-half the stock for public improvement, where the citizens concerned testified to its importance by the subscription and payment of the other half—all seemed to justify such an expectation. And your committee are willing to leave it to past or future experience to determine whether such a policy, in relation to all the improvements of the State, would not have saved the public from much unprofitable expenditure, and equally secured the execution of meritorious works. In the present condition of the public finances however, the citizens interested in this work do not approach the legislature with any proposition to increase the public burden. Whatever may be the nature and strength of their claims, as a question of right, they wave its consideration upon such ground at the present time; and from a regard for the general interests, are only willing that their proposition shall be considered with reference to those public benefits which it is calculated to produce.

The number of stockholders is small compared with the whole number of tax payers in the district, and even upon the line of the work, where the value of taxable property will be greatly affected by the improvement. And the amount of ten per centum upon cash paid, will take from the revenue, after a few more instalments are paid in, but little more than one or two per cent. upon all the larger subscriptions, and is designed rather for the smaller subscriptions and poorer stockholders; to encourage them to a prompt payment of their instalments, by whose cordial co-operation thus produced, the work would be carried forward with more firmness and success than it would be by five times the amount directly contributed to the work. The entire sum deducted from the taxes, at an assessment of 30 cents to one hundred dollars valuation of property, would but little exceed \$2,000; and applied to the work in the manner proposed, would occasion no loss to the community in the cost of collection: and as will hereafter be shown, it would produce indirectly a much greater increase of the revenue in the part of the country in which it was left.

At the present time, owing to the reduction in the price of labor, and the confidence those acquainted with the work have in its value; large contracts are offered to be taken at the estimates, receiving in payment, one half in cash, and the balance in stock. The company in consequence, find they are able to complete the work, without calling upon other sections of the state, to reciprocate the aid they have

received from their citizens. Provided the stockholders will act with unanimity, which this measure limited as it is, it is ascertained, will insure. Believing that there can be no unfriendly feeling in this House towards the petitioners, or those they represent, the committee conceive that it is only necessary to afford satisfactory assurance, that the state will not be injured by granting their request, to secure for it the unhesitating support, and countenance of all.

In the report of the resident Engineer of the White water canal; accompanying the report of Mr. Williams principal engineer to the state board of Internal Improvement, December 5, 1837, we find the following testimony in relation to the character of the work.

"The whole fall of the river will, also be made available, which can be used for various manufacturing purposes, as the wants of the country may require."

"The *act* authorizing the survey, requires a statement of the "*probable advantages*" arising from the canal. From the best information that could be obtained from various sources it is believed, that if it should be constructed within three or four years from the present time, that the navigation would *open* with a trade equal to 50,000 tons annually. This at an average of two cents per ton, per mile, would yield a revenue of \$33,250 per annum. There would be many advantages growing out of its construction, the benefit of which can scarcely be anticipated.

It would be the channel through which all the trade of one of the most populous, fertile, and wealthy regions of the western country would pass. Richmond, situated at the head of navigation, with its vast water power, extensive *capital*, and enterprising inhabitants, might become the Pittsburgh of Indiana; in short, the whole country, within its reach would be invigorated; new sources of trade, which are now unknown or lying dormant for the want of an outlet, would be developed."

If the estimate of the Engineer given above, was well founded the state would obtain upon the freight, which the company's work would discharge into the White water canal at Brookville, nearly an equal amount of tolls. For a large portion of the business of the canal, consisting in the transportation of produce, seeking the southern market, will find its way by the nearest channel, and consequently much of it will be conveyed to the Ohio river, at Lawrenceburgh, an equal distance upon the state work, as upon that of the company. This freight will be obtained, not only from the fertile region bordering upon the East fork of White water river, and extending north, through the counties of Randolph and Jay: but it will likewise claim its tribute from the contiguous portions of Ohio, in which the western parts of Preble and Dark counties, will find this their cheapest channel of communication with the Ohio river. The committee conceive that it is consistent with the most beneficent policy—and which under existing circumstances, it is peculiarly binding upon the legislature to regard—to invite the trade of neighboring states, as well, as to secure and direct that of her own citizens, into those channels the state has constructed

by so lavish an expenditure of public treasure, in order that she may realize in tolls, some return, commensurate with her outlay, and adequate to the release of the community from taxation for their support. This end, the work in question by its locality, to a large extent, promises to effect upon the line with which it connects.

Again it is the opinion of the committee, that in addition to the great increase of tolls, upon the State work, the State will realize from other sources, advantages far more than equivalent, even in revenue—to the relinquishment of taxes, the petitioners ask for. The improvement of the water power upon the river, will introduce into the State, and invest in manufactures of various kinds adapted to the wants of the country, a large amount of capital: and giving profitable employment to the enterprising citizens of our own State, as well as furnishing inducement for the emigration and settlement of industrious aritsans from abroad. In addition to this the agricultural wealth will be greatly enhanced; and with it, all those kindred branches of business that flourish and grow in unison, will feel the genial influence of this improvement. Reduced cost of transportation will encourage the production of a large surplus of products, in the country north of the termination of the work, where hitherto, the distance from market has prevented much excess beyond the consumption of the vicinity. This condition will bring into cultivation; and stimulate to its utmost production, and crowd with an industrious and prosperous population, a large and fertile extent of country. From all this *increase* of value, the legitimate fruit of the canal; made by the toil and privations of its neighboring people, (at the time they were contributing equally with the rest of the State, towards the construction of works in which they had no direct interest,)—the State will obtain by taxes from those not stockholders a far greater sum, than is called for by the petitioners.

Is not the exemption a reasonable and a just one? Sanctioned by the regard it would manifest for the growth and prosperity of her interests—dictated by a prudent foresight, and mindful of the rights and well being of a meritorious portion of her people—who could controvert the policy, or the justice of the act? If by this permission to employ a portion of their own hard earnings, to make their own canal, without asking any thing from the rest of the State; a portion of the stockholders, who have become discouraged under the disastrous influence of that storm of adversity that has so recently swept over the whole land—striking down with its withering touch, the strong and enterprising, as well as the weak, should be reanimated and encouraged to a prompt and faithful discharge of their duty; by which means the work wold be brought to a speedy completion, that portion of the White-water canal already completed, made productive and at the same time through the increase of taxable property, the State realize as much, or more revenue, than she would without the exemption wanted; ought not the prayer of the petition to be granted? It takes nothing from other portions of the State; it ultimately increases instead of diminishing the State revenue. And no

one can object to it, from an apprehension of the example, because no section of the State and no interest in it is analogous to it. The committee are therefore, after a careful examination of the merits of the subjects—from a sense of justice to the petitioners, as well as a regard to the best interests of the State, recommend the proposition contained in the petition to the favorable consideration of the House; and report the following bill:

R E P O R T

OF MR. MASON,

FROM THE

JOINT COMMITTEE ON THE CANAL FUND.

Two thousand copies ordered to be printed.

MR. SPEAKER:

The joint committee on the canal fund to whom were referred the annual report of the Canal Fund Commissioners, also sundry other reports relating to the canal fund, have had the same under their consideration, and have directed me to make the following

REPORT:

That they have in pursuance of the 22d section of an act, entitled an act to provide for the further prosecution of the Wabash and Erie Canal, approved February 6th 1835, examined the books of the fund commissioners and Auditor both in relation to the Wabash and Erie canal, and those under the Internal Improvement act approved January 27th 1836.

The abstract marked A accompanying this report, contains a full and complete statement of all bonds sold, and the purposes for which they were sold, together with the rate of interest, premium and discounts, and the amount the state was entitled to receive upon the sale, also the amount received, and the amount yet due upon each sale, also the amount due from the state to the state bank, also the amount of treasury notes that have been issued, also as full an account of so much of the property owned by the state, taken in compromise of debts due the same, as the committee are able to find reported to the fund commissioner's office in this place.

Abstract B is an exhibit of all receipts on account of Internal improvement purposes, also the full expenditures upon the Wabash and Erie canal, also the whole amount expended under the Internal Improvement act of 1836, also the amount expended on account of interest on the public debt. This exhibit closes on the 31st day of October last, the close of the last fiscal year, the operations since are thought to be small, and principally to pay interest due on the first day of the present month.

Abstract C is an exhibit of the entire amount of interest paid on state bonds sold, and the amount of exchange to pay said interest, also the amount and the sources from which the same has been derived.

Abstract D is an exhibit of the amount of interest due on the whole amount of state bonds sold and parted with, also the amount of interest that will be due the next year on treasury notes issued, also the amount of interest due upon the debt owing to the bank for money advanced on account of Internal Improvements, also the means now provided by law, to meet interest upon the state debt, also the amount necessary to raise by taxation, and the objects of taxation. This calculation is carried up to the year, 1845, for the purpose of showing what will be our condition at that time, if the policy proposed by the committee be adopted.

The calculations on the interest account, are made for a year without regard to any particular time for commencement, and which cannot vary the calculations materially.

The writer of this cannot quit this part of the subject without acknowledging the services of Mr. Hubbard clerk in the fund commissioner's office, and the promptitude with which he met every call of the committee, and the facilities he afforded in the examination of the books and records in said office. A considerable portion of the information in relation to the suspended debt was furnished by him, although not yet officially communicated to him, but is believed to be correct. He would further acknowledge the assistance of Mr. Elliott, chairman of the Senate's part of the committee.

It will be seen by reference to the abstract marked A, that the state has a large suspended debt; the situation of this debt, and the security the state has for its payment, the committee have no means of determining other than the report of the fund commissioners, and that of Milton Stapp and the treasurer of state, all of which are before the

House and the country; and require no comment from the committee, other than the apparent difference between the two fund commissioners; this difference is a mere matter of opinion in relation to certain bonds parted with, since which there has been a contract for the return of said bonds; if they be returned Mr. Stapp is correct; if they are not returned Mr. Palmer's statement is correct; the amount and sale of these bonds are set out in abstract A.

The committee are informed by the clerk in the fund commissioner's office in this place, also by one of the fund commissioners, that an office is kept in the city of New York in which all contracts are kept, and a record of the various transactions of the board.

The keeping of an office by the board in the city of New York may be well enough, but it is a great defect in our system of finance, that we have no regulation by which a copy of all contracts entered into between the board and other individuals, are required to be filed in an office in this place. This would afford an opportunity for investigation, and furnish some light to enable us to determine more satisfactorily the cause of our present financial difficulties. The importance of this is greatly increased from the solicitude and anxiety universally felt to remedy the evils, and avoid difficulties in future.

In investigating the law upon the subject of the duties of fund commissioners, and the results in practice under it, the committee have come to the following conclusions:

1st. The powers given to the board were too large. They should have been restricted in the sale of bonds on time, and when so sold the sale should have been secured by ample security, this has not always been done.

2d. The law was too general in its provisions, and required the performance of too many duties.

3rd. The compensation paid has been entirely too small, to induce competent men to continue long in the office.

4th. The law was defective in another and important particular, the power to make and sell bonds was too unlimited, it should have provided for the signing and registering thereof by the treasurer of state, before delivering to the fund commissioners, this with a requisition upon the commissioners to report a duplicate of the contract of sale to the auditor of state, and the number and amount of bonds sold to the treasurer, would at all times have enabled the state to become acquainted with the whole transaction.

5th The law was defective in not requiring the money received on the sale of bonds, to be deposited to the credit of some disburseing officer, whose duty it should have been to have disbursed all moneys upon warrants drawn by the auditor, this course would have prevented the possibility of a misapplication of the funds, but under the existing laws, the fund commissioners have negotiated the loans; collected and disbursed the money—even their own salaries—kept their own books and accounts, paid interest—and in short, they were compelled under the law to do and perform all of those duties.

The committee have no reason to complain of the receipts and dis-

bursements, as their books show a fair transaction in this particular; but the committee are sorry to say that the books in the office here, do not show for the last twenty months, the various transactions that the committee have reason to believe have been had in the sale of bonds, and the transfer of stocks and the exchange of securities, and the new contracts made in relation to the compromise property taken of the Josephs and Cohens.

6th. The laws have been defective in not making suitable provisions for the payment of interest upon loans, this not only served to embarrass the commissioners, but to lessen the value of our stocks in the market, as actual capitalists into whose hands our securities ultimately fall, look with much care not only to the ability, but the provisions for the prompt payment of interest; under our system a large amount of interest has been paid out of principal without adequate provisions of law.

The committee have thought that the examination of the law thus far, and its bearings were necessary to a correct understanding of the subject. The bill which passed both houses a few days since, on the subject of the receipts and disbursements of the Internal Improvement fund, together with the accompanying bills, and the levy of a proper tax for interest purposes, will in the opinion of the committee, remedy the evils complained of in this investigation.

It may not be improper for the committee to say something in relation to the interest due semi-annually on the first of January and July of each year for the sale of state bonds, the interest due on the bank debt, and on treasury notes, amounting in all to the sum of \$716,336 66.

If the bank and others holding state bonds for which the state has not received compensation or payment, fail to meet the interest on such bonds, the state will be bound for the amount, and a failure to pay would violate the faith of the state, and impair her credit. For particulars on this subject reference is made to Abstracts marked A and D.

The system of public improvements so fairly commenced and for a time prosecuted with such vigor and high hopes of success, has been suddenly arrested by a combination of causes, a large portion of which were not under the control of the state government. They were causes unseen even to the largest portion of the sagacious, and those that did see, yielded to that current of apparent prosperity, which but too often lures us to ruin. Some of the evils which have attended us have already been pointed out, but by far the greatest has been the improvident sale of our state bonds to those that were unable to pay, and the scattered lettings upon our various public works. The state has been dotted over with holes and ditches, and although \$8,774,970 43 has been expended, no one work has been completed, and those commenced are not in a situation to yield revenue or afford facilities to business. Had the amount been expended upon two or more continuous lines, the state would at this time be receiving an amount of revenue at least equal to a large portion of the interest upon the money expended, and

enjoying facilities to trade and business, and thus saved from a large portion of the burthens with which she is now loaded.

But the evil stops not here, unless a large portion of the work commenced be soon completed, a large amount of money must be lost in perishable materials that have been procured for the work.

The prosperity of Indiana for the next half century will depend upon the measures that may be adopted by her legislature, and the opinions of the people. If means be provided to meet our liabilities, the faith and credit of the state will be sustained, and this is the only source to which we can look for means to relieve us from the burthens under which we are laboring. This course will supply us with men and money for the completion of at least a portion of our public works, and the development of those latent resources of wealth with which our state so largely abounds.

The vast resources that may be drawn from our rich and luxuriant soil, to say nothing of the inexhaustible beds of iron ore that is known to abound in different portions of the state, and also coal, and in some places salt; must remain comparatively unproductive for years to come if the slow process of accumulating wealth by small means, be our only source of prosperity.

It is believed by the committee that by the application of our means as limited as they seem to be, to the proper objects, a portion of our public works may be completed, a spring given to industry and enterprise that will advance the development of means to meet future liabilities of the state to wealth and distinction.

The expenditure of \$1,500,000 upon a proper portion of our works, would increase our means to meet interest due upon state indebtedness over and above the amount of the interest upon the sum proposed to be expended of at least 80 or 90,000 dollars, but for a more detailed statement of this matter than is the province of this committee, they would refer the House and the country to the report made a few days ago by the chairman of the committee on Canals and Internal Improvements. This document is replete with sound arguments and correct views.

The returns of the productive wealth of Indiana as made by the marshal appointed to take the census, are every way highly gratifying. It not only shows a rapid increase in population, but a large amount of products over and above the amount of articles consumed of foreign production.

The amount of merchant's capital employed in the state as returned is \$6,909,765. This amount is believed to include the credit used with the actual capital vested, and as a large portion if not all of the merchants turn their capital but once a year, this must be the amount of goods consumed by the people.

The amount of the three leading articles produced in Indiana for market, to-wit: Pork, Flour and Whiskey, after making suitable deductions for home consumption, amount at the prices paid the last two years, to the sum of \$9,934,408; deduct from this the merchant's capital employed, and it leaves \$3,024,641; to this may be added a large

amount received for the sale of horses, mules, beef cattle, and grain, also the amount of money brought into the state by emigration, and it will swell the sum to at least \$5,000,000 after deducting merchant's capital.

Assuming that one seventh of this amount will be necessary to meet the interest upon the state debt, which is about the amount of our interest account, the people are far from being ruined. It may be contended by some that a country or community showing as prosperous a condition as the one above presented would not have as much individual embarrassment as prevails among the people of Indiana at this time.

This objection might present some weight were it not for the fact that credit is one of the elementary principles in our business operations, and in times of great pressure like the present, when all confidence is destroyed between man and man, and between the people and the government, so far as currency is concerned, the destruction of credit produces wide spread ruin and disaster through all the ramifications of society.

The destruction of that confidence which should exist between the people and the government has been greatly accelerated by the action of the President in reference to the liabilities of the states, and the unprecedented and uncalled for action of the United States' Senate, in gratuitously refusing to assume those liabilities, when no one of the states had ever intimated a wish for such an assumption.

It is not surprising that our stocks have declined, our credit diminished when such causes have been made to bear upon the credit of the country.

In all countries where credit is made the basis of the ordinary transactions of the people, to any considerable extent, confidence in men prevails, and exchanges are made upon this confidence, whilst the means that are accumulated are applied to objects of fixed wealth, and in the newer countries like ours, they are applied to such purposes as the building of houses, mills, machinery, villages, the clearing of lands and various other improvements of a permanent character.

The small business transactions as well as a portion of the larger ones, are done upon credit, and in ordinary times, the floating capital of the country passes from hand to hand, discharging the various liabilities, and keeping alive the business of the country, and maintaining confidence and credit. The loss of confidence from over trading or from any other cause, occasions the withdrawal of capital from the ordinary channels of business operations, and induces its owners to hoard it with the expectation of realizing splendid speculations, from the necessities of the less fortunate. By such means thousands are ruined for the want of a little indulgence to contract their business, and add their labors to their other means, and thus be enabled to meet their liabilities.

That the restoration of confidence and a prudent course are all that is wanting, is abundantly shown by the report before referred to. In the articles of wood, and brick houses, there was expended in the last year \$1,563,228. This is independent of the clearing of lands, build-

ing of barns, and the various other permanent investments that have been made, and shew in a strong light, our progressive prosperity. The report throughout goes to show that in addition to the large amount of agricultural products, a large amount of home goods are manufactured, besides numerous other articles used in domestic pursuits.

That these things are so is not to be wondered at, for there is not a more plain and frugal people to be found than in Indiana; her citizens are composed of hardy men who have emigrated here in moderate circumstances, accustomed from early life to hardships and economy, possessing a high spirit of enterprise and mental vigor, trained to practical pursuits. With such a population it is not surprising that we find our State in a rapid advance in all the comforts and conveniences of civilized man.

While our State stocks have been sacrificed in market, and the State dotted with ditches at the expense of unproductive millions, the great body of our citizens have grown rich; paying their taxes with cheerfulness, striving to meet all of their liabilities, and all that they now claim of those in power is, that our resources be husbanded, a sound circulating medium be afforded the country, the means of the State be applied to her best interests; and they will cheerfully submit to the payment of sufficient revenues to sustain the faith and credit of the State and meet all of her liabilities.

There is another subject to which the committee would call the attention not only of the House, but of the country; the Public Domain. No doubt can exist as to the right the States have to claim the proceeds of the sale of the public lands. The sentiments expressed in a joint resolution upon this subject, adopted by the House the present session, will, if approved and acted upon by the General Government, place Indiana in a situation to ultimately free herself from all her liabilities, and secure to the State the blessings intended to be conferred by the prosecution and completion of the public works. By various documents before the committee, it appears that the public domain affords an almost inexhaustible source of income, and must continue to afford an annual sum to a considerable amount.

It appears by the documents referred to, that we have of the public domain to which the Indian title has not been extinguished, 766,000,000 of acres of land, of which amount there lays east of the Rocky Mountains, 548,000,000, and west of said mountains, 218,000,000, and of lands unsold and ceded to the United States, 229,711,075. The portion of the proceeds of these lands that would fall to Indiana, as estimated by Governor Bigger in his Inaugural Address, will be upwards of \$28,000,000.

The committee cannot but anticipate with pleasure the adoption by the Congress of the United States, the views expressed by Indiana, as well as by several of her sister States who were in advance of her in the expression of their opinions upon this subject.

The current opinion of the people as well as of statesmen, in favor of this measure, is daily gaining strength, and it affords much pleasure to find in the late message of the Governor of New-York, a renewal

of this subject, by again calling the attention of the Legislature of that State to it, in a style, and with an ability worthy of an Executive of that Empire State.

There is another subject closely connected with this; the land for the extension of the Wabash and Erie canal. From the action had at the last session of the Congress of the United States and the present session, we have strong hopes of obtaining the lands claimed by Indiana for this extension. In a treaty made with the Delaware Indians, reserves were made of lands claimed by the State of Indiana and laying along the canal line, to the amount of 24,290 acres, which has been valued at the aggregate sum of \$202,458 00, by officers having charge of this branch of the public service.

Other lands in lieu of those reserved have been selected to the amount in value of those reserved; but from decisions of the President and other officers of the General Government, it is necessary that Congress pass a law confirming the selections before Indiana can benefit herself by these selections. The justness of this claim cannot for a moment be doubted, but as the legislature have already memorialized Congress upon this subject, the committee will not enter further into it. The amount claimed in lieu of those reserved, together with those to which the State have undoubted right, amount to the sum of \$432,656 50; this, with the amount due for lands already sold, make a sum of \$803,040 56; add to this amount, those lands claimed for the extension of the canal to Terre-Haute, and we have another considerable source of revenue, which will relieve the State to some extent, and serve to sustain her credit.

The committee cannot leave this subject without giving commendation to the officers connected with it, and especially to our late Governor, David Wallace, who has attended to the interest of Indiana in connection with those claims, with a degree of zeal and ability worthy of the high station he occupied.

The opening of the Wabash canal to the lakes within the summer of 1842, may be looked for with much confidence. This thoroughfare when opened, communicating as it does with the lake, and through the great Erie canal with the city of New-York, will produce an income in the year 1843 of at least \$40,000, and in 1844 of \$60,000. This will be another source of relief from our present burthens. To this should be added the completion of two or three more of the public works, by the spring of 1843, by which the revenues may be increased as before stated, 80 or 90,000 dollars. By carrying out the views embraced in this report, the State of Indiana will be in the possession of permanent means, in the public domain, in the Wabash and Erie canal lands, and in canals, and in a rail-road, that will be a regular source of income, and may be made to bring a revenue by the year 1844, sufficient to sink our present liabilities at least \$200,000.

It affords no small degree of gratification to see the elevated stand that the Governor of New-York has taken in his late message in favor of the improvements in the western States, particularly of the Wabash and Erie canal.

From the statement of facts here given, we may with much confidence look forward to the day when brighter suns will crown our toils. All that is wanting is firmness, and the adoption of correct views, and the endurance for a brief period of our present embarrassments. If the opposite course obtains and the credit of the State sacrificed, years must elapse before the State could gain her wonted prosperity and elevated standing among her sister States.

Through the politeness of Doctor Coe, one of our late Fund Commissioners, the committee have been furnished with a recent correspondence between the Doctor and Mr. Hoyt, collector of the customs of the city of New-York, and several other distinguished citizens of that place. This correspondence attaches more importance to the compromise property of the Cohens, than we here have been willing to admit; from their opinions this property must, in a few years, be worth at least half a million of dollars. Their estimate being much larger.

In quitting the subjects embraced in this report, your committee cannot too strongly recommend a rigid system of economy in all public expenditures, a thorough and efficient revenue system, and the husbanding of all the means within the reach of the State. This, with such a modification of the public works as will secure the completion of such of them as can be completed with the least expense, and yield the greatest amount of tolls, is indispensable to the maintaining the faith of the State, and to save her from ruin.

ABSTRACT—B.

By reference to the accompanying abstract marked A, it will be perceived that the whole amount the fund commissioners have received for state bonds, sold for Internal Improvement purposes, viz:

On account of Wabash and Erie canal, and general system of Internal Improvements is	- - -	\$6,387,832 29
They have also received from sale and interest on canal lands,	- - - - -	288,415 01
From state revenue for Internal Improvements	- - -	341,116 93
From other sources, viz: Interest for money on deposits, exchange, interest on surplus revenue, tolls on Wabash and Erie canal, damage done to canal, and sale of state property, and road and canal fund,	- - - - -	264,441 07½
By advance by branches of state bank,	- - -	641,461 04
By advance by state treasury in treasury notes	- - -	1,289,000 00
By advance by Erie county bank as temporary loan, and other small advances	- - - - -	48,658 33
		\$9,260,924 67½

And they have expended for construction and contingencies of Wabash and Erie canal, including payments on drafts of board of Internal Improvement for that purpose	-	1,886,624 69½
For construction of works connected with general system of Internal Improvements, with contingencies, including payments on drafts of board of Internal Improvement for same purpose	- - -	5,760,322 74
Interest on state bonds	- - - - -	1,128,033 38
For property received in compromise with Messrs. Cohens and Josephs, with expenditures on the same since taken	- - - - -	394,369 60
For balance due from D. Burr, N. M. Rothschilds, Lawrenceburgh and Indianapolis rail road company and John Scott deceased, together with cash and treasury notes on hand	- - - - -	91,574 26
		9,260,924 67½

ABSTRACT C.

The State Bank furnishes means for paying interest on State bonds sold for banking purposes; and the Lawrenceburgh and Indianapolis Rail-road company for interest on bonds furnished to said company. And for the payment of interest on the several amounts sold on account of the "Wabash and Erie Canal," general system of Internal Improvement, and fourth instalment of Surplus Revenue, the following sums have been considered an appropriation, and have been thus applied, viz:

Amount received for interest on canal lands, -	\$118,908 58
Amount received for canal tolls, - - - -	8,612 77
Amount received for interest on account &c., balance, -	169,982 39
Amount received for interest on surplus revenue, -	127,858 76
Amount received for Internal Improvement tax, -	341,116 93
	\$766,479 43

The amount paid on account of interest on State Bonds is, viz:

For interest and commission for paying same, -	\$1,096,290 11
For exchange, - - - - -	31,743 27
	1,128,033 38
Deduct appropriated funds as above, - - - -	766,479 43
Leaving a balance of, - - - - -	\$351,553 95

Which has been paid out of moneys received from the sale of State Bonds.

NOTE.—The calculations in abstracts *A*, *B*, and *C*, are brought up to the 31st of October, 1840, the close of the fiscal year.

ABSTRACT D.—Showing the amount of the indebtedness of the State, and the amount requisite to meet the annual interest thereon.

	DEBT.	INTEREST.
Amount of 6 per cent. bonds sold,	-	-
“ of 5 per cent. bonds sold,	-	-
	\$394,000 00	\$23,600 00
	11,163,000 00	558,150 00
Amount of exchange on the interest on \$3,300,000 00 sterling bonds, -	\$11,557,000 00	\$581,750 00
		15,675 00
Amount of Treasury notes issued to F. Com'rs including \$2,000 on hand,	\$1,310,400 00	\$597,425 00
“ due the branches of State bank, exclusive of interest, -	641,461 04	80,424 00
Total amount of indebtedness, -	\$13,538,861 04	38,487 66
Amount of suspended debt due the State, as follows:		\$716,336,66
From the Cohen compromise debt, -	\$394,369 60	
Bonds to be returned, -	690,000 00	
For bonds sold and not yet paid for, -	2,406,027 71	
Which deducted from the total amount leaves -	3,490,397 31	174,519 86
The following means are now provided for payment of interest:	\$10,048,463 73	\$541,816 80
From State Bank on capital stock, -		\$71,025 60
Interest on Canal Lands, -		22,000 00
“ “ Surplus Revenue, -		32,000 00

ABSTRACT D.—CONTINUED.

	DEBT.	INTEREST.
From Lawrenceburgh and Indianapolis Rail Road Company,	11,050 00	
“ Canal Tolls estimated at	5,000 00	
“ Madison and Indianapolis Rail Road,	10,000 00	151,075 60
Leaving an amount of interest to be provided for by other means, of		\$390,741 20

NOTE.—If the amendment to the bank charter, passed during this session of the Legislature, should be accepted by the several branches, the state will derive, annually, as a tax, in addition to what is now received from that source, the sum of \$74,118 49.

And the opening of navigation on the Wabash and Erie Canal, in 1842, will probably produce a revenue to Indiana, in 1843, of forty or fifty thousand dollars, and in 1844, of fifty or sixty thousand dollars, which may be further increased by an expenditure of \$1,500,000, on other proper lines of our public works by the year 1844, in the sum of say \$120,000.

ABSTRACT D. CONTINUED.—Showing the amount of taxable property in the State.

Amount of taxable lands for the years 1841-2-3 & 4, valued at \$7 per acre each year:			NO. OF ACRES.	VALUE.	AM'T OF TAX AT 30 CTS. TO THE \$100.
Amount of taxable lands for 1841,	-	-	13,758,236	\$96,307,652	\$288,922,95
do do 1842,	-	-	15,008,054	105,056,378	315,169,13
do do 1843,	-	-	15,610,479	109,273,315	327,820,05
do do 1844,	-	-	16,132,758	112,929,306	338,787,91
Value of town lots, assuming value of 1840,	-	-	—	12,503,519	—
“ “ Corporation Stock, “ “ 1840,	-	-	—	1,168,342	—
“ “ Personal property, “ “ 1840,	-	-	—	19,740,166	—
No. of taxable polls in 1840, 100,166.	-	-	—	—	—

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Amount of tax produced at 30 cents to every \$100 of valuation on all the foregoing taxables, including the amount on taxable polls at 50 cents each.

		TOTAL VALUATION.	REQUIRED FOR CIVIL LIST.	TO BE APPLIED TO PAYMENT OF INTEREST.
For the year 1841,	-	\$128,719,679	\$90,000	\$258,927 23
“ “ 1842,	-	138,468,399	90,000	286,321 15
“ “ 1843,	-	149,367,785	95,000	311,682 68
“ “ 1844,	-	161,040,624	95,000	343,497 50

NOTE.—The foregoing estimates of the probable amount of tax that will be realized annually, are based on the supposition, that the aggregate amount of personal taxables for the years 1843 and 1844, will increase at a ratio of twenty per cent. and that the annual increase of revenue from taxable polls from 1841 to 1844, will be five thousand dollars. A deduction of twenty per cent. on the gross amount of revenue has been made for each year, to meet expenses of collecting and all contingences.

R E P O R T

FROM THE

COMMITTEE APPOINTED AT THE LAST SESSION OF THE

LEGISLATURE TO INVESTIGATE THE AFFAIRS OF

INDIANA UNIVERSITY.

Read, laid on the table, and five hundred copies ordered to be printed

TO THE HON. SAMUEL JUDAH,

Speaker of the House of Representatives:

The legislative committee appointed by a resolution of the General Assembly, adopted 21st day of Feb. A. D. 1840, to inquire into the condition of the State University, and the causes of its decline, as also to inquire into the proper means to be adopted to secure its prosperity, and also to inquire into the expediency of establishing an agricultural professorship, report as follows to-wit:

That a majority of said committee met for the purpose of discharg

ing the duties imposed on them by said resolution, at the University Chapel in Bloomington, on the 19th day of May, 1840, and commenced the investigations necessary to meet the requisitions of said resolution. These efforts of the committee were materially assisted by the action of the board of trustees of said University, who appointed a committee consisting of five gentlemen of their body, to meet the legislative committee, and furnish them with such information in their possession as might be found useful in the course of the investigation then proposed. This committee consisted of Messrs. Hendricks, Owen, West, Hester and Maxwell, and the committee deem it an act of justice to these gentlemen, to state they co-operated efficiently by promptly answering the calls made on them for information by the legislative committee, during the whole of its session.. At the request of the committee of investigation, they were furnished by the committee on behalf of the board of trustees, with a condensed historical account of the institution, as also a tabular statement of the funds of the institution.

These documents herewith submitted, (and marked No. 1 & 2) are sufficiently explicit on the subjects of which they treat, and in the opinion of the committee need but little comment. By these documents it appears that the total of the funds of the college, arising from donated lands amounts to \$117,821 84. In addition to other information in relation to the available funds of the University, and the amount of unsold lands belonging to it, these documents contain a valuable and interesting abstract of the early enactments of the Territory in relation to this institution. Your committee accord fully with the deductions drawn by the committee appointed on behalf of the trustees of the University from those enactments, and cannot express too strongly their approbation of the liberal and enlarged views of the *then* Governor, and Legislature (1807) in relation to education. Many of the provisions of those enactments are worthy of imitation at the present day.

The investigating committee next directed their attention to the causes of the decline of the University in public favor. The conduct of the President of the University, has been on more than one occasion the subject of severe criticism in the public prints and elsewhere, and the committee soon after their meeting, instituted an inquiry into the justice of these complaints. This inquiry was conducted openly, and in such a manner as to afford every legitimate means of accusation and defence. The committee were induced to take a wider range in their investigations into this matter, than they would otherwise have deemed necessary or proper, from the fact that a previous investigation into the conduct of Doct. Wylie had been had, and complaints had been made by persons inimical to him, that sufficient latitude had not been allowed the accusers in making and sustaining their charges against him.

After the most patient investigation of the evidence adduced, the committee *unanimously* concur in the acquittal of Doct. Wylie of all the charges preferred against him, and see no reason whatever to

suppose that any conduct of his has been prejudicial to the institution. On the contrary they believe him to be eminently qualified for the station which he occupies, and find from the investigation that he has discharged the high trusts committed to him with an ability and fidelity worthy of all commendation; although surrounded with almost insurmountable difficulties and embarrassments. The committee in the course of their investigations called upon the petitioners, who preferred those complaints to the legislature, which caused the passage of the resolution under which the committee of investigation acted, and none of them (except one) made any statements calculated to throw the slightest suspicion of blame on the accused. On the contrary some of those petitioners who had entertained suspicions injurious to Doct. Wylie became in the progress of the investigation so well satisfied of the injustice of those suspicions, as to be induced voluntarily to furnish your committee with written statements expressive of their approbation of his conduct.

The only one of the petitioners who gave it as his opinion that Doct. Wylie had been to blame in the management of the institution, did not support that opinion by any testimony. Your committee entered into a minute inquiry as to the causes of the decline of the University in the number of its students. Your committee refer to document No. 3, as containing the opinions of the President of the institution in relation to its decline. On the same subject your committee also refer to document No. 4, being a memorial of the citizens of Bloomington and of the county of Monroe, remonstrating against the removal of the University, stating their opinion of the causes of the decline of the institution, and exempting the *present* faculty from the censure of producing it. In the opinion of your committee the causes which have produced the decline of the University may be divided into two classes. 1st. Such as operate injuriously on most of the institutions of the country; and 2dly, Such as are peculiar to the circumstances of this institution and its peculiar organization and management. Under the first head the most prominent of those causes is the indulgence which the parents of the students have been disposed to grant to them in supplies of more money than is sufficient for their reasonable wants during the sessions of the university. This practice always induces extravagance and excesses amongst the students, the odium of which is by the community thrown on the institution. To remedy this evil, the committee would suggest a legal provision requiring the pocket money furnished by the parents to the students, to be paid at the opening of each session of the University into the hands of some officer, appointed by the faculty, to be by him paid out for such outlays as might appear in his discretion to be reasonable and proper, and in connection with this to make it penal for the shop-keepers and other dealers in goods or groceries to sell to the students on credit. Under the present head may also be stated those jealousies and prejudices existing in every community against institutions of learning which in the neighborhood of universities assume a personal

character and are directed against the persons who have charge of the institution.

The Indiana University and its professors have suffered in no small degree, from the operations of this cause.

Under the second head, the most prominent one is in the number of the board of trustees, (21.) In order to avoid the influences of sectarianism, it was thought best to have a large number of trustees. In the choosing these trustees, men of different religious prejudices were thrown together in such a manner as to combine all the elements of religious discord. This method of choice has resulted in petty bickerings and discontents, which have operated very injuriously on this institution and the reputation of the professors. To remedy this evil, the committee propose a reduction in the number of the board.

Your committee found on investigation, that this institution had been injured to some extent, by several rival colleges and theological seminaries, the management of which had been placed in the hands of persons belonging to some of the religious sects of the country.

While the committee approve of allowing the fullest latitude to the various religious sects of the community in educating their children in their own way, they believe it right for the public to sustain at least one college in which the sciences are taught and the morality of the bible inculcated, without any reference to the peculiar tenets of any sect of christians; and they therefore recommend to the guardian care of the legislature our present State University. After a full examination of the subject, your committee can see no good reason at present for the removal either of the University or the President. Your committee believe the reasoning in reference to the removal of the institution, in the document (No. 5) herewith submitted, to be conclusive, and are indisposed to weaken those arguments by attempting to expand them.

The present faculty have been selected with a view to their high moral character and scientific acquirements, and the committee have every reason to believe that the institution under their superintendence, will be well and ably managed. We deem it unnecessary at this time to form an agricultural professorship in the Indiana University. The public mind is already aroused on that subject, and societies are springing up over the State, which will doubtless accomplish the objects of such a professorship in an effectual manner.

Your committee herewith submit a bill embracing such provisions as they deem necessary for the benefit of the institution, and recommend its adoption.

Respectfully submitted,

JAS. H. CRAVENS, *Chairman.*
JOHNSON WATTS,
JOS. S. JENCKES.

HON. JAMES H. CRAVENS,

CHAIRMAN OF LEGISLATIVE COMMITTEE.

SIR:

The committee appointed by the board of trustees of Indiana University, to meet and receive your committee, having received from your Secretary a resolution requesting that they would furnish to you a condensed history of the institution from its origin, have had that subject under consideration, and now submit to you the result, in the following

REPORT:

The reservation of land by Congress, whence the present endowment of the Indiana University is derived, consists of two townships, one in Gibson county, the other in Monroe county, both in this state.

The reservation of the Gibson county township, and its original appropriation for the support of a University, are contained in some act of Congress, not to be found among the documents prefixed to our revised code, nor in any other work of reference now within the reach of the committee of trustees. The exact date of that act of Congress is unknown to the committee; but it is dated before the 17th September 1807.

For, among the "laws of Indiana Territory" published by authority in 1807, occurs an "act to incorporate an University in the Indiana Territory," approved September 17, 1807; the second section of which commences as follows: "And whereas Congress has appropriated a township of land of twenty-three thousand and forty acres, for the use and support of the University or a public school in the district of Vincennes, and whereas the township is now located and the boundaries designated &c."

The preamble and provisions of the act above referred to, to "incorporate an University in the Indiana Territory," afford striking proof how liberal and enlightened, even in these early days, nine years before Indiana became a state or obtained a constitution, were the views of her legislators, on the subject of education; and are well worthy of preservation and remembrance.

The close of the preamble reads thus: "And for as much as literature and philosophy furnish the most useful and pleasing occupations, improving and varying the enjoyments of prosperity, affording relief under the pressure of misfortune, and hope and consolation in the hour of death, and considering that in a commonwealth where the humblest citizen may be elected to the highest public offices, and where the heaven-born privilege of the right to elect and reject, is re-

tained and secured to the citizens; the knowledge which is requisite for a magistrate and elector should be widely diffused," therefore be it enacted &c.

The further provisions of the act are in accordance with this noble exordium. The sixth section provides, "That the trustees shall, as speedily as may be, establish and erect an University, within the limits of the borough of Vincennes, and shall appoint to preside over, and govern the said University, a President and not exceeding four Professors, for the instruction of youth in the Latin, Greek, French and English languages, Mathematics, Natural Philosophy, Ancient and Modern History, Moral Philosophy, Logic, Rhetoric, and the law of Nature and of Nations."

The same principal which is still incorporated in our present charter, guarding against sectarianism, is set forth in the tenth section of the above act, in the following words: "Be it further enacted, that no particular tests of religion shall be taught in the said University, by the President and Professors mentioned in the sixth section of this act."

The next section provides, that the trustees shall "use their utmost endeavors to induce the Aborigines to send their children to the University, for education, who when sent shall be maintained, clothed and educated at the expense of the institution." And further, "that the students, whenever the funds of the institution shall, in the opinion of the trustees, permit it, be educated gratis at the said University, in all or any of the branches of education which they may require."

Again, in the thirteenth section, is a provision of acknowledged importance, yet, to judge by the charter of our University, beyond the immediate views of our Legislature, even at the present day. In that section, it is enacted, "that the said trustees, as soon as in their opinion, the funds of the institution will admit, are hereby required to establish an institution for the education of females, and to make such by-laws and ordinances for the said institution, and the government thereof, as they may think proper."

Finally, in further evidence of the extended views of those days, we find, in the 15th section, the enactment, "That for the purpose of procuring a library and the necessary philosophical and experimental apparatus, agreeably to the eighth section of this law, there shall be raised a sum not exceeding twenty thousand dollars." The means by which this sum was to be raised, were less praiseworthy than the object in raising it. It was to be "by a lottery."

As regards the amount of land which, by the above act, the trustees were authorized to sell; the second section provides, that the Trustees may dispose of "any quantity not exceeding four thousand acres."

By subsequent acts of Congress, to which the committee of trustees cannot, at this moment, refer, the further sale of these lands to the amount of *thirteen sections* (including the above 4000 acres) was authorized: and they were sold and the proceeds expended for the use of the university.

So that, when, by act of Congress, approved April 19th, 1816, "to

enable the people of Indiana territory to form a constitution and state government" it was enacted "that one entire township which shall be designated by the President of the United States, in addition to the one heretofore reserved for that purpose, shall be reserved for the use of a seminary of learning, and vested in the legislature of the said state, to be appropriated solely to the use of such seminary by the said legislature;" the total quantity of land thus appropriated, was two townships, less thirteen sections; or fifty nine sections; or thirty-seven thousand seven hundred and sixty acres.

This land, with the exception of about 4,800 acres, has all been sold and the proceeds appropriated for the use and support of the present institution, at first under the name of the "State Seminary," afterwards as the "Indiana College," and now as the "Indiana University." The above 4,800 acres, still unsold, are estimated by the Treasurer of State as worth 2,500 dollars.

It appears by "an act to provide for the sale of the Seminary township in Gibson county, and for other purposes, approved January 2d, 1822," that, at some time previously, the board of trustees of the Vincennes University had ceased to exist. The preamble to the seventh section of the above act reads thus: "Whereas it is stated to this General Assembly, that the former board of trustees of the Vincennes University has expired by the negligence of its members," &c.

At what precise date this board expired, the committee have not been able to discover: but it may be presumed to have been previously to the year 1820; for by an "act to establish a State Seminary and for other purposes, approved January 20, 1820," this institution was established at Bloomington and the trustees of the said State Seminary were empowered to sell any quantity of land in the reserved township in Monroe county, not exceeding in all one section.

The act referred to is very brief, and provides for little else except the sale of the above lands, and the erection, out of the proceeds thereof, of "a suitable building for a State Seminary and also a suitable and commodious house for a Professor" Its tone and the limited character of its provisions form a striking contrast to the liberal views incorporated in the charter of the Vincennes university, granted thirteen years before, in the very infancy of Indiana territory.

Various supplementary acts were passed, from time to time augmenting the number of the trustees of the said State Seminary, permitting them to loan money, and authorizing the renting and sale of additional lands.

Of these the most important is an act approved January 25th, 1827, appointing James Smith Commissioner to sell the Gibson county township, and James Borland Commissioner to sell the Monroe county township, and fixing the minimum price of said land, if first rate at three dollars and fifty cents; if second rate at two dollars and twenty-five cents; and if third rate at one dollar and twenty-five cents per acre. The same act, by its tenth section, provides that three sections of the Seminary lands in Monroe county contiguous to the section heretofore sold shall be reserved from sale.

About the same time an act was passed, approved January 26th, 1827, appointing a board of visitors to the State Seminary at Bloomington.

By an act approved January 24th, 1828, the State Seminary was superseded by the "Indiana College," established "for the education of youth in the American, learned and foreign languages, the useful arts, sciences and literature."

By that act it was provided (section 12) that "all moneys arising from the sale of the seminary townships in the counties of Monroe and Gibson, shall be, and forever remain, a permanent fund for the support of said college, and the interest arising from the amount of said sales, together with the three reserved sections in the seminary townships situated in the county of Monroe, and all the buildings which have been erected adjacent to the town of Bloomington, in said county of Monroe, for the use of the State Seminary, with all the real and personal property of every description belonging to or connected with said State Seminary, as the property of the State, and all gifts, grants and donations, which have been or hereafter may be made, for the support of the college, shall be and hereby forever are vested in the aforesaid trustees and their successors."

By the same act, a board of Visitors consisting of five members, was appointed; and it was made their duty annually to visit the college, inspect the course pursued by the trustees and faculty, examine the books of the college, and make a report of their examinations, inspections and inquiries, to the Governor, to be by him laid before the General Assembly. Of these visitors three were to constitute a quorum; but during the ten years' existence of the college, a quorum was present but once; and during the latter half of the period referred to, to wit: during the last five years of the existence of the college, none of the board officially visited the college, or reported in connexion therewith.

Finally, by an "act to establish a University in the State of Indiana," approved February 15, 1838, the institution reached its highest grade, and all the estate, funds, property, rights and demands, formerly vested in the trustees of the college, were transferred to the trustees of the university, in whom they still remain vested.

This act incorporating the "Indiana University," is, in its general provisions, a transcript of the charter of "Indiana College," with this difference, that no board of visitors is appointed, and that the number of trustees of the University is increased to twenty-two, from the number of fifteen, appointed under the college charter. Also, by the charter of the university, the power of conferring degrees in law and medicine is added to the power formerly vested in the college, of granting degrees in the liberal arts and sciences.

The total funds of the university, originally derived from the reserved lands, as above explained, are estimated by the trustees as follows:

Productive funds, including moneys at interest,

moneys due or in hand, and a small amount of lands for sale, (say \$2,500 worth, not actually productive at this time,) -	\$98,471 84
Deduct debts due by the University, chiefly to the Branch at Bedford of the State Bank of Indiana, - - - - -	3,650
	94,821 84
Unproductive property, chiefly real estate, including the University Campus and buildings thereon; including also the library and apparatus, - - - - -	23,000 00
Total, - - - - -	<u>\$117,821 84</u>

For the separate items which make up the above amount and exhibit in detail the resources of the University, your committee is referred to document F, spread on the records of the Board of Trustees, at pages 66, 67, and 68, with its accompanying documents D, C, and B; of which accompanying documents the former marked D, is recorded on the said records at pages 72 and 63; and of the two latter, the first is recorded in the book entitled "Commissioner's Reports," and the last in the book entitled "Treasurer's Reports;" all of which books and reports have already been placed by the committee of trustees in the hands of your committee.

The committee of trustees further begs to refer your committee to document G, on pages 70 and 71 of the records of the University, as exhibiting in full the probable expenses and available means of the institution, for the ensuing year.

Any further information on these or other subjects which is within the reach of the committee of trustees, they will cheerfully furnish. In the meantime the above is respectfully submitted.

D. H. MAXWELL, *Chairman.*

WILLIAM HENDRICKS,

C. P. HESTER,

ROBERT DALE OWEN,

NATHAN'L WEST,

Committee of Trustees.

Bloomington, May 20, 1840.

TO THE INVESTIGATING COMMITTEE.

GENTLEMEN:—By virtue of certain resolutions passed by you, the undersigned has been laid under the obligation of stating to you his opinion, as to what have been “the causes of the decline of the University in the number of the students,” and as to what legislative action he may think necessary “to secure and promote its prosperity:”—and by another resolution it is made his duty to submit to you “a brief account of the paternal system” of government.

In compliance with the will of the committee, as expressed in those resolutions, the undersigned respectfully submits the following statement:

First, as to the decline of the University in regard to the number of students:

In the sessions of 1837–8, there were students in actual attendance,	105
In the ensuing winter session of 1839, there were in actual attendance,	78
Shewing a decrease of,	27

This diminution was, I think, owing to the following causes:

1. In the year preceding the diminution, several students had indulged themselves in idle and extravagant habits, by which their parents were put to a great deal of unnecessary expense and the institution itself brought, to a considerable extent, into disrepute.

About all places to which youth resort, *who have money to spend*, persons will be found who hesitate not to make use of dishonorable methods to possess themselves of it:—sharks, that prey upon the indiscretion of the generous, the confiding, the inexperienced. And, afterwards, when the natural consequence of their short-sighted selfishness takes place, in the diminution of the number of their victims, *these very persons* are first and loudest in their clamors and complaints, attributing of course, the matter which is the subject of their complaints to any other than the true cause.

2. About the time when the cause just referred to was secretly preying upon the root of the institution’s prosperity, dissatisfaction, jealousy and discord began to take place in a certain portion of the faculty, which, as it covertly sent forth its influence among the students, had a tendency to diminish, and did, to my certain knowledge, diminish their number.

3. Simultaneously with the operation of these causes there rose up other institutions within that region to which the Indiana University naturally looks for a supply of students;—one at Crawfordsville, one at Greencastle, one at Hanover, and one at Vincennes,—three of them colleges, the fourth a University;—besides these, another insti-

tution, designed I believe to become a college, situated at Franklin, still less remote from the seat of the Indiana University than any of the others; though all of them are within a circle of not more than about an hundred miles in diameter.

The agents employed by some of these institutions have presented their claims, not unsuccessfully, even in Bloomington itself, and among the students of the University. The sectarian spirit, on the strength of which these rival institutions depend, in part, for their support, began, about the time to which this part of my narrative refers, to direct a fervid and unkind influence upon the Indiana University: and with what ultimate design this was done may be inferred from the fact, that from statements made before the board of trustees at their last meeting, it appears the proposition is openly made to destroy the Indiana University at once, by taking away its charter and dividing its funds among the other institutions just referred to.

The undersigned simply mentions these things as historical facts, and without any intention of reflecting censure upon the friends of these other institutions, whose zeal in their favor and in opposition to the Indiana University, proceeds, it may be charitably supposed, from an honest conviction that no State institution can be made to prosper, or at least, that there is "a more excellent way" for conducting the interests of education, than that which is prescribed by the charter of the Indiana University.

Many good people think their children can be preserved from those influences which they consider dangerous to their moral and religious character, only by placing them in institutions which they, as a religious sect, can guard and manage as they think best. Such is their honest belief; and they have acted and will act according to it. It is their right; and the undersigned, although he thinks he has had some reason to complain of the manner in which it has been exercised, has no disposition to say a word in opposition to the right itself. It is one which he holds to himself most dear, and which he most cheerfully allows in its legitimate exercise, to all others.

He might mention other co-operating causes, but it is unnecessary. The above mentioned are, he thinks, of themselves sufficient to account for the diminution in the number of students which, to the amount of twenty-five or twenty-six, had taken place in the winter of 1839.

There was, indeed, another cause which had been operating in the board of trustees, to retard the growth of the institution while it was a college, and which had done more than all others to produce the diminution in question. But it deserves a distinct notice by itself; because it has continued to exert, and still exerts at this moment, a powerful influence in opposition to the best interests of the University, and has produced a still further reduction in the number of its pupils.

The progress of your investigations, gentlemen, will, I trust, show the following train of facts to have sprung from the agency of the man who now stands before you in the character of an accuser.

That he had repeated quarrels with students;—that he was a turbulent member of the board;—that his violence towards Mr. E. N. Elliott drove from the institution that gentleman, who took with him Mr. D. Maxwell, superintendent of the Preparatory Department;—that when, by extraordinary efforts to meet the emergency thus brought upon the institution, Mr. Ruter and Mr. Dodd were induced to enter into the Faculty and give their aid in carrying forward the business of instruction in the departments assigned them, he contrived to invade the province of the Faculty and disturb the harmony of their operations, by a resolution assigning a part of the duties belonging to one of these professors to another who was less competent to perform them;—that by interfering with the office of Janitor, he, in concert with certain other individuals, members of the board, so managed, that though the Janitor's salary was doubled, the duties of the office were very imperfectly performed, leaving the Faculty and students to suffer great inconvenience in consequence;—that he contrived to produce further difficulty and embarrassment to the Faculty, by usurping the power of making laws for the government of the institution,—that he exerted himself to prevent the undersigned from carrying into effect the known will of the President of the board, in particular, and of the whole board collectively, in regard to the purchase of books and apparatus which were essential to the very existence of the institution;—and finally that when, for pursuing this course of conduct, he was left out of the Board of Trustees, upon the occasion of its re-organization by the Legislature, he adopted the resolution of being either reinstated in his former place or “tearing down” the institution, he did, to carry out and accomplish said resolution, exhibit before the Legislature in the winter of 1838—9, certain false and scandalous charges against the Board of Trustees and against the undersigned.

What must necessarily result from such a course of conduct on the part of a Trustee of the institution is sufficiently manifest. I shall call your attention particularly to one fact in the series: I refer to the fact that the aforesaid charges were presented before the Legislature, by one who had been a Trustee, and *purporting* to be endorsed by two others, who were still Trustees, and acting, therefore, under the most solemn obligation to promote the interests of the institution committed to their care.

The news of a fact, so novel and extraordinary, flew, as on the wings of the wind, all over the country. It was published in the newspapers in the city of New York, not long after it happened, and was speedily spread all over the Union. It produced, of course, different impressions on different minds: but whatever might be the precise character of the impression in each particular case—it could not fail to operate, for a time, to the detriment of the institution. The friends of the undersigned would regard the charges as malicious and unfounded: and they, of course, would have their faith in the institution shaken, because, being a State institution, it is exposed to such attacks. His enemies would, of course, consider them true, and be confirmed and encouraged in their hostility. Others would not know what to think;

and they, of course, while in this state of suspense, would give the preference to any other institution which might present any thing like equal claims to their regard. Others again who are governed not by reason, but by proverbs, would shake their wise heads and exclaim "Where there is so much smoke there must be some fire:" they would condemn the undersigned, as did a certain member of the Legislature, simply because "there should be no disturbance in a literary institution." These charges, it is true, were afterwards investigated by the board, and pronounced false and unfounded. But what of that? The mischief had been done. The poison was diffusing itself and had been working, for months, in the public mind, before the antidote could be applied.

The board, on investigation of the charges, though they pronounced the undersigned not guilty, found, in the course of their investigation, cause for removing three out of the five professors then in the institution. The chairs thus vacated have but just been filled. The fact of their having been vacated could have produced, in no conceivable circumstances, any other *immediate* effect than that which actually followed it,—a further reduction in the number of students.

As to the act of the board itself, the undersigned has nothing to say. Right or wrong, expedient or inexpedient, such as has been stated, was its inevitable consequence.

Another cause to which it may be proper just to advert is the fact that the Department of Natural Philosophy and Chemistry has not been, till very recently, that is, only two weeks since, furnished with a Laboratory; the Professor being under the necessity of performing his experiments at the fire of a common stove. Students coming hither from abroad, and finding the institution—though nominally a University—deficient in so essential a part of its organization, would naturally feel disappointed, and communicate their feelings, by letter, to their friends: so that, if they should not go away, others, at least, would be prevented from coming. So deeply has this consideration, with others of a like nature, pressed on the mind of the undersigned himself, anxious though he is to increase the number of students, that he never has made any special effort for this purpose. Till now, it would have been premature: for, not till now has our organization, even as a college, been complete.

And here the undersigned may be permitted to suggest a thought, as to the principle assumed in the representations that have been made to the legislature and the public, in regard to the number of our students. It has been stated to be *less*—at one time by twenty-five; at another, by fourteen than it actually was. But on this I make no comment. I advert to the *principle* which assumes that the number of students actually at a college, is a sure indication of its character and prospects, *at the time*. Numbers however, taken alone, afford no such indication. The causes which affect numbers, either in the way of increase or diminution, operate slowly and often most effectually, when, as yet, they are *latent* from the public eye. Our own history affords a recent instance of this. In 1837, when our number was the

greatest, causes were at work which diminished it rapidly: and now, on the other hand, when our number is reduced to about half of what it was, it requires not the eye of divination to see in the condition of the University the prognostics of a certain and a steady increase. The institution has not indeed passed the crisis: but it has reached that point in it, at which adverse influences having exhausted their force—"vitamque in vulnere ponunt"—those of an opposite character will begin to exert themselves.

4. To proceed, gentlemen, to the next question that, namely, which respects the action of the Legislature—three things, it seems to the undersigned, ought to be regarded, as the elements of prosperity to any literary institution—the character of the board and faculty, the character of the sphere within which the powers of the institution are to operate, and the furniture of means with which it is supplied to effect its objects.

By the "prosperity" of the Institution, it is taken for granted that more than the mere number of students is intended. Institutions may be so conducted as to attract numbers, and to keep up a succession of numbers too, and yet generate nothing but pestilence and moral death for the community. The moral capacities, as well as the intellectual powers of the pupils must be educated. Their weaknesses must not be flattered: nor their indolence soothed. Modesty of deportment and deference to superiority in knowledge, virtue, and experience must be inculcated. Honesty and simplicity of character and purpose must be taught; as well as literature and science. That method which will best effect these ends will not, at first, attract numbers. In the long run it may. What is morally wrong grasps at present advantages, which TIME, deified in ancient mythology, destroys. The poisonous mushroom springs up in a night: the growth of the oak is marked by the lapse of ages. The good are content to sow, that others who are to come after them may reap the harvest.

To insure that kind of prosperity which is really desirable for a literary Institution, the Faculty in the first place, should be composed of men whose characters are neither feeble through intellectual imbecility, nor marked with moral turpitude. By the way, it should be remarked, that when raised to a place above its proper level, intellectual imbecility too frequently becomes moral turpitude: for to sustain itself it is constantly tempted to resort to dishonest and time-serving expedients.

Such as cannot succeed in other professions are sometimes represented, as *falling* into that of a pedagogue. To you, gentlemen, I need not say that the state of things should not be such any where in our country as to justify such a mode of speaking as this.

Of the character of a Board of trustees the same remarks will hold; though, perhaps, not with equal force.

As to the population in the immediate vicinity, of the University it should be such as to generate and maintain such a tone of moral sentiment as to keep in check those tendencies to corruption from which no society on earth is altogether free.

As to the more remote parts of the sphere, from which the University must derive its supply of students, it should be kept in mind, that the larger religious sects occupy, with their influence, the greater portions. The smaller sects, who either because they are not able to sustain institutions of their own, or because they are liberal enough to unite in common in favor of an Institution whose advantages were intended for all, have not thought it necessary or expedient to provide the means of educating their sons apart by themselves; these, added to those more insignificant portions of society which are indifferent as to sect, are the people who may be expected to send their sons to our University. A few of the more liberal and enlightened of all sects may also be expected to regard it with favor. The University may be so managed as not to offend the prejudices of any liberal-minded good man. But that it should suit itself to the peculiar views of any sect or any party, is neither to be expected nor desired. Whatever influence it exerts should be calculated to bring all good people, of all denominations, into closer union. The spirit of the religion which Jesus taught should live and breathe in its halls, or it will not prosper—it should not. As to the furniture of means &c., viz: Books, Apparatus, buildings—It is sufficient merely to name them on this occasion.

We are prepared, now, to ask, on which of these sources, whence prosperity is to be derived to the Institution, can the Legislature exert an improving influence? Should the Legislature undertake to improve the Faculty, on what would the question of appointment or removal turn? On the qualifications of the individual? Or his creed? Or would it depend on the amount of misrepresentation which at the time might, by *confidential letters*, be injected into the Legislative counsels?

It is an appalling fact that no Literary Institution has ever yet flourished under legislative management. This Institution, when the undersigned took charge of it, ten years ago, was a mere Grammar School, without a Library, without Apparatus, and with but two Professors, having a strong tide of prejudice and opposition to stem. In these circumstances, "*none was so poor to do it reverence.*" It was with difficulty a quorum of the Board could be got together once a year. Yet under all difficulties, it grew; till, in 1837, it numbered one hundred and five students, and a place in its Board of Trustees was thought to be an honor worth all that mighty agitation which the accuser has, by moving heaven and earth, excited on the subject. Yet the Legislature no sooner began to be moved about it, than it sank at once. And this is now cited, all over the land as another proof that no Literary Institution *can* prosper, which is even *liable* to Legislative influence.

But, for his part, the undersigned is not yet prepared to give in to, or give up to, this opinion. He yet believes that this University, though subject to Legislative interference, can be made to prosper. He believes, further, that the Legislative interference, in this very instance will prove most salutary. The manner in which this interference was invoked and all the circumstances connected with it,

show who is the person struck at, and why he has been struck at,—struck at, now the third time. You, gentlemen, when you have patiently examined into every alleged cause of complaint, will say whether he is guilty, and OF WHAT; and he will remove himself forthwith, from your Institution and from the state which contains it—and *all will be well*—will it? Or on the contrary, should your report be favorable—will not all be well? There is some doubt. For the accuser, in his letter to Mr. Berry, says he will renew his efforts every year till his object be accomplished: and should he be able to excite *another* such commotion and tempest, his object will be accomplished. And, gentlemen, should he *have* this power, the Legislature, with all the resources of the State at their command, cannot save the University from prostration and ruin.

The undersigned does not feel himself competent to suggest, with any degree of confidence, any preventive, which it is thought, the Legislature would feel themselves authorized to apply. He has heard it suggested, by some honest and good men of great experience, that if any person undertaking to prosecute charges against the State University were to render himself liable for the costs of prosecution, in case he failed to establish his charges, it would prevent the recurrence of a case similar to that which has, in this instance, put the State and the University to so much cost and trouble.

So far as the prosperity of the institution may depend upon the board of trustees, the undersigned has nothing to propose. The history of all literary institutions goes to establish the principle, that a board of trustees having been appointed by the Legislature, should be left, in all ordinary cases, to manage the trust committed to their hands, unless the interference of the Legislature should be invoked by the Board themselves, acting in their joint and corporate capacity.

In reference to the wants of the state, it has long been the conviction of the undersigned that a department of Didactics, such as is sketched in his letters to Mr. Dunning, and such as corresponds in most respects to the Normal Schools of Europe, is greatly needed in the University. It would enable Farmers in moderate circumstances to fit their sons for those positions and occasions, in which the interests and views of that highly useful and respectable class of the community need to be represented and advocated.

In obedience to the resolution requiring the undersigned to lay before you a brief account of the paternal system of college government, he begs leave to submit to the committee the following brief extract from the annual catalogue for the year 1837—8, page 11, and an extract on the same subject from a discourse delivered before the Legislature; and were it not for fear of trespassing too far on the patience of the committee, he would be gratified to submit to their inspection a still more expanded view of the same subject, contained in a discourse delivered before the college of professional teachers, and published in the 5th vol. of their transactions.

“The government is paternal, the reason and moral sense of the student are called into exercise by frequent appeals in relation to the

matter and manner of his conduct; and he is thus taught to govern himself." This I consider the fundamental principle of the Paternal System. It is expanded in the following remarks, extracted from my "Discourse on Education, delivered before the Legislature of the State of Indiana, at the request of the joint committee of education, and published in pursuance of a vote of the House of Representatives Jan. 17, 1830." They are found on pages 20 and 21. "In the remarks which I have to offer, as to the methods proper to be adopted for the purpose of guarding against the formation of evil habits, I can not be particular. I may be allowed to specify one thing which, if I am not utterly mistaken, has had a most pernicious influence, and must have, whenever it is adopted. I allude to the practice of governing students by a multiplicity of written laws, supported as they must be, by a system of espionage. The laws of a state differ essentially from those of a school. The former have for their object the protection of individuals in their just rights: that of the latter is the formation of character. Young men should be formed in character and habit, so as not merely to shun vice, and to practice virtue, but to love the latter and detest the former. And this is what mere law and authority can not do. No one becomes good by constraint. Besides, laws often provoke to their own violation. A generous youth does not like to be commanded to do what he knows he ought to do, and would do if left to himself. What he does by constraint, or under the appearance of constraint, he loses the credit of doing. Further; the formation of character contemplates, a thousand things, which change their nature, if enforced by authority. If you go about to make people religious by compulsion, you make them hypocrites. Who would think of teaching politeness by rules and penalties? Further still; if you lay down a law, it must be invariable. But the dispositions of the young are different, and demand a different treatment. Yet again: watch a boy, and you do him an injury: you treat him as a slave; and such treatment will gradually generate a base and servile spirit, which will need to be watched. Too much government is always injurious, a maxim which rulers are sure to learn. There is but one law in heaven, the law of love; and the Author of our salvation has proposed no other for the government of those whom He is forming for an eternal residence in that happy place. The society of a college ought to be a family in which the faculty is the parent and the pupils the children—of different tempers and attainments, and therefore to be treated differently, but all under the same kind and paternal government. And those who cannot be governed in this way, it would be wrong to educate, if it were possible."

It will be observed from these extracts that the Paternal System stands opposed not to all laws whatever, but only to such "a multiplicity" of them as would, in carrying them into effect, render necessary a system of espionage. For instance, in some Institutions, letters sent home by the pupils must first be inspected by the Faculty.—Let each professor be strict in requiring the *performance of the duties of the recitation room*, and he will soon find out who do not behave well out of it. And,

let such, after sufficient trial, be dismissed, that they may, before the season of youth be past, be set to some other employment, in which they may be useful in future life, to themselves and others.

All which is respectfully submitted,

A. WYLIE.

Bloomington Sept. 25th 1840.

Doc. No. 32.]

[H. of R.

R E P O R T
OF THE
STATE BANK OF INDIANA,
NOVEMBER, 1840.

[Three hundred copies ordered to be printed.]

OSBORN AND CHAMBERLAIN,
Printers to the State.

HON. SAMUEL JUDAH,

Speaker of the House of Representatives:

Herewith is the annual report (printed) required from the State Bank: also manuscript tables showing its condition and other matters named in the 65th section of the charter, which have been usually printed in connection with the reports sent up from the Branches.

I have the honor to be, &c.

S. MERRILL.

State Bank, Dec. 12, 1840.

To the General Assembly.

Since the last annual report, the second instalment due on the State stock and from private stockholders, has been paid into the Michigan City branch; the third instalment due from the State has been paid into the South Bend branch, and \$20,000 received on the loan authorized to be made in 1839, has been paid over as additional capital in the Madison branch. Funds have not yet been obtained to organize the 14th, 15th, and 16th branches, nor to pay the private stock for which mortgages have been executed at the South Bend branch.

The State stock in the bank now amounts to \$1,304,950, derived from the following sources, viz:

Sale of 5 per cent. State bonds, - - -	\$865,000 00
Third instalment Fort Wayne branch from sinking fund, - - - - -	15,000 00
Fourth instalment of surplus revenue anticipated by issue of 6 per cent. State bonds and part of third instalment for payment on mortgages, - -	404,950 00
Part of loan of 1839, - - - - -	20,000 00
The stock owned by individuals amounts to -	1,366,668 75
Total, exclusive of \$15,000 not yet reported from South Bend, - - - - -	\$2,671,618 75

The dividends on the State capital for the year ending November 1st, 1840, amount to \$120,404 19; and the surplus fund has, during that time, increased \$34,904. As near one-half of this belongs to the State; the rate of profit for the year has been ten and a half per cent.

The losses of the bank the last year, are estimated at \$50,000, being at least five times the amount of all that had been sustained for the five previous years. The suspended interest on the debt due from the State, and on other suspended accounts, which cannot be added to the profits until actually paid, will about equal the losses.

As near as could be ascertained at the last semi-annual examination, the discounts to different classes of business men were:

To merchants, - - -	\$1,032,136.
To farmers, - - -	600,310
To manufacturers and mechanics,	610,754.
To exporters, - - -	723,842.
To all others, - - -	771,376.

The loans to exporters will have been increased near a million of dollars before April; and those to others, merchants especially, a good deal diminished.

The notes and bills under discount amounted to 6,590.

The discounts to directors amounted to	-	\$430,802.
The discounts to other stockholders, to	-	907,797.
The discounts to persons not stockholders,	-	2,399,819.

Of the private stock, \$820,500, was owned by persons who borrow nothing or to a less amount than their stock; and \$545,353, by persons who owe the bank more than their stock. In eight of the branches, more than seven-tenths of the private stock is held by persons who usually borrow nothing or very little; and the discounts to their directors were \$203,108, being \$154,888 less than was due from the directors of the same branches in 1838.

In some other branches, there is more stock held by borrowers than is desirable; yet where there are but few capitalists in a bank district wishing to invest funds in bank stock—where the borrowing stockholders would sell their stock at once if purchasers of the right kind could be found; and where the business is safely and prudently managed, no interference can be required of the State Board.

There have been almost no difficulties in managing the bank, which have not arisen mainly from the purchase of stock by persons with the expectation of borrowing money on more favorable terms than could be allowed to others. As these difficulties have occurred from time to time, such measures have been adopted by the State Board as appeared necessary to correct the evil, and no positive failure to do so, has yet occurred. In regard to these and all other exceptionable proceedings in branches, it is understood by the State Board that they must be corrected; that the branches which conduct their business properly, “must not be endangered by others, and that the whole institution can and must carry with it a good share of favor from the “well informed business men of the State.”

The directors and stockholders of the bank generally make the same payments as other borrowers, and the branches are as desirous of obtaining safe and punctual customers as they can be to receive accommodations. As the directors and principal dealers in bank cannot be permitted to lie under protest even as endorsers, their liabilities for others often make their debts large, when only a small portion was originally obtained for their own use.

During the past year there has been less anxiety than heretofore in the branches to increase their capital, for the demand for loans for actual business and short periods has somewhat decreased. Still in many parts of the State if the bank possessed the ability, more loans might be made, with advantage to all concerned, and probably the capital of most of the branches might be increased with but little diminution of the rate of profits.

Much embarrassment has been felt in several of the branches, from the large advances made for the state in the summer of 1839, with no other expectation than that they should be speedily paid in New-York. This sum and interest which will be on the first of July next \$692,433 in connection with the \$294,000 of State Bonds advanced for the 4th instalment of surplus revenue, is for the time being no basis for banking, and is for all practical purposes a withdrawal of an equal amount of the capital of the institution. As the bonds were taken voluntarily no complaint is made on their account, though none of them have been sold and the State derives a clear profit of about \$9,000 a year from an operation which is a loss to the bank of at least the amount gained by the State. That the bank may possess the means to keep up and increase its facilities for promoting the great business concerns of the country, it is most respectfully, yet earnestly urged upon the Legislature, that they make early provision to pay the debt due from the State.

The following table shows the highest and lowest discounts and circulation of the bank for the last four years:

1837,	highest	discounts	April 1,	-	-	-	-	-	-	\$1,314,827
"	"	circulation	April 29,	-	-	-	-	-	-	2,615,275
1838,	"	discounts,	Jan. 20,	-	-	-	-	-	-	3,596,957
"	"	circulation	Oct. 31,	-	-	-	-	-	-	2,804,468
1839,	"	discounts	March 15,	-	-	-	-	-	-	4,995,382
"	"	circulation	" 30,	-	-	-	-	-	-	3,817,503
1840,	"	discounts,	" 31,	-	-	-	-	-	-	4,309,757
"	"	circulation,	" "	-	-	-	-	-	-	3,279,897
1837,	Lowest	discounts,	October 31,	-	-	-	-	-	-	\$3,367,267
"	"	circulation,	" "	-	-	-	-	-	-	2,205,812
1838,	"	discounts	July 21,	-	-	-	-	-	-	3,182,503
"	"	circulation,	January 6,	-	-	-	-	-	-	2,308,130
1839,	"	discounts,	October 31,	-	-	-	-	-	-	3,940,382
"	"	circulation,	" "	-	-	-	-	-	-	2,985,372
1840,	"	discounts,	" "	-	-	-	-	-	-	3,617,249
"	"	circulation,	" "	-	-	-	-	-	-	2,835,902

Except in the year 1838, when the suspension of specie payments discouraged to a great extent new enterprizes, and which accounts for the difference in the business of that year, it appears that the discounts and circulation of the bank are usually considerably larger in the winter and spring than in the summer and fall. While the produce business of the State maintains its relative importance, and is managed as heretofore, these fluctuations must be expected. If more industry and capital were employed in manufactures, and if it would suit a portion of the farming interest to engage more extensively, at the proper season, in buying and fattening stock and hogs, to pay when exporters want their accommodations, the business of the bank might be nearly uniform throughout the year. Any attempt however to force a circulation beyond the business wants for a currency, will not be found advantageous to the bank, or the country.

Since October, 1839, most of the banks in the middle, southern and western states, have not paid specie on their notes as usual. A heavy drain of specie from these banks was submitted to for some months, in the hope that it would cease with the panic which produced it. But when it was feared that some of them might fail, and this would occasion so much alarm as to others, that the demand for specie would continue and increase, it was believed that suspension for a time was the least of the evils which the banks could make choice of. The most of them by paying out their specie, and forcing collections to the utmost, could have met all demands; but it would have been at the expense of blighting the hopes and blasting the prospects not only of business men generally, but of most of the creditors and debtors of the State.

By Mr. Woodbury's report of April 9th, 1840 it appears that the circulation of all the banks in the Union, has been as follows, at the time specified:

January 1st, 1835,	-	-	-	\$103,692,495.
January 1st, 1836,	-	-	-	140,301,038.
January 1st, 1837,	-	-	-	149,185,890.
January 1st, 1838,	-	-	-	116,138,910.
January 1st, 1839,	-	-	.	135,170,995.
January 1st, 1840,	-	-	-	106,968,572.

The great reduction of circulation in 1838 and 1840, must have been much greater in each case, but for the suspension, which still left a currency not in general five per cent. below specie. With this, much of the debt of the country has been paid, often, no doubt at considerable sacrifices; yet still insignificant to what they must have been, had no suspension taken place.

The circulation of the State Bank of Indiana has varied more in reference to the business demands of the country, than from any other cause, and yet the baneful influences of the fluctuations in other States, have been severely felt here.

It is understood that specie payments will be resumed at an early day, and may it not be hoped that general confidence will be restored—that enterprise and industry will again seek their appropriate rewards, and that years of steady improvement and increasing prosperity, may follow the severe lessons which should not have been given in vain.

There has been no opportunity for selling State Bonds for bank capital during the past year, and the last legislature having given the care of the bank loan of 1839, to the Fund Commissioners, that subject will have been properly noticed in their report. The annexed tables show the state and condition of the Bank at the time specified in the Charter.

Respectfully submitted,

S. MERRILL.

State Bank, December 8, 1840.

STATEMENT

Of the condition of the State Bank of Indiana on October 31, 1840.

RESOURCES.

Discounted notes, ...	\$2,912,619	42
Bills, ...	704,629	12
Branch balances, ...	71,766	41
Balances due from other banks	335,505	68
Banking house, furniture, &c.	204,805	77
Due from the State of Indiana for deferred payment of advances for public works, ...	646,284	49
Indiana bonds taken for fourth instalment, ...	294,000	00
Remittances and other items, ...	86,153	98
Notes of other banks, ...	195,724	00
Specie, ...	1,092,963	72
		\$6,544,452 59

LIABILITIES.

Notes in circulation, ...	\$2,835,902	00
Branch balances, ...	73,998	00
Balances due to other banks, ...	154,423	69
School tax, ...	3,605	13
Dividends not called for, ...	6,815	10
Sinking fund and other items, ...	79,227	07
Balance due individual depositors, ...	309,248	61
		\$3,463,219 60
Leaving the amount of resources of the bank, over and above all liabilities other than to the stockholders, ...		\$3,081,232 99
		\$6,544,452 59

The excess above stated of the means of the bank, beyond her liabilities, is distributable as follows:

To the State of Indiana, for stock under the charter, ...	880,000	00
To the State of Indiana, from loans of 1839, ...	20,000	00
To the State of Indiana, for stock from the surplus revenue, ...	404,950	00
		1,304,950 00
To individual stockholders, ...	1,365,883	13

Total capital, \$2,670,803 13

Amount in surplus fund,	-	-	\$275,839 43
Profits of last six months,	-	-	134,590 43
Total profits undivided,			\$410,429 86
Total excess,	-	-	3,081,232 99
The circulation of the bank on October 31, 1839, was,	\$2,965,371 00		
The circulation of the bank on October 31, 1840, was,	2,835,902 00		
Showing a less amount than this time last year by			\$129,469 00
The specie in the bank on October 31, 1840, was	\$1,092,963 72		
The specie in the bank on October 31, 1839, was	1,021,490 18		
Showing a larger amount than at this time last year by			\$71,473 54
JAMES M. RAY, <i>Cashier.</i>			

REPORTS
OF THE
BRANCHES OF THE STATE BANK OF INDIANA,
SHOWING THEIR CONDITION
ON THE THIRD SATURDAY OF NOVEMBER, 1840.

Three hundred copies ordered to be printed.

INDIANAPOLIS BRANCH REPORT.

BRANCH STATE BANK OF INDIANA, }
 Indianapolis, Dec. 10, 1840. }

Hon. SAMUEL JUDAH,

Speaker of the House of Representatives.

SIR: I enclose for the use of the House of Representatives, a statement of the condition of this Branch as it was on the third Saturday of November, 1840, at 2 o'clock in the afternoon.

Respectfully yours,

B. F. MORRIS, *Cashier.*

State of the Branch at Indianapolis of the State Bank of Indiana, on the 21st November, 1840.

Dr.		Cr.	
Notes discounted,	- 187,515 11	Capital Stock,	- - 295,300 00
Bills of Exchange,	- 153,965 26	Notes in circulation,	- - 291,649 00
Suspended debt, on personal security,	- 20,623 90	Individual deposits,	- - 42,725 94
		Surplus fund,	- - 22,327 33
Banking house and lots,	-	Permanent school fund,	- - 850 00
“ State Bank,	-	Commissioners sinking fund,	- - 5,996 99
Furniture and Fixtures,	-	“ W. & E. canal fund,	- - 887 60
Protest,	-	State bank of Indiana,	- 1,388 39
Indiana State Bonds,	-	Branch at Richmond,	- 218 75
Commissioners Int. Imp. Fund,	-	“ Lawrenceburgh,	- 605 88
Branch at Madison,	-	“ Bedford,	- 341 77
“ New-Albany,	- 555 88	“ South-Bend,	- 16 00
“ Terre-Haute,	- 261 51		
“ Lafayette,	- 2,184 67	Due to other banks:	
“ Fort Wayne,	- 219 71	Commercial bank of Cincinnati,	03
“ Michigan City,	- 84 65	North western bank, Virginia,	714 78
	- 45 00	Exchange bank, Pittsburgh,	393 38
		Far. and Mech. b'k, Steubenville,	53 35
		Bank of Pittsburgh,	54 87
		“ Dayton,	90 31
		“ Hamilton,	8 71
		State Bank of Illinois,	333 35
Ohio Life In. & Trust Co. Cin.,	783 32		
Lafayette bank,	6,711 27	Dividend No. 11,	- - 1,648 78
Franklin bank,	1,369 64	Suspended items,	- - 4,611 53
City bank, New-York,	4,244 06	Dividends unclaimed, Nos. 9 and 10,	10,268 53
Bank United States,	7,602 06		94 29
Farmers & Mech. b'k Phil.	16,451 19		
Bank of Kentucky,	613 73		
Bank of the Metropolis,	36 35		
			2,554 95

Mechanic's Bank, Philadelphia,	9,494 25						714 23
Franklin Bank, Columbus,	143 40						
Remittance to Philadelphia,	1,040 00						
“ Cincinnati,	6,031 00						
		54,540 27					
Cash, viz:							682,478 26
Notes on other Br's of State B'k,	10,202 00						
“ on other State Banks,	4,785 00						
		14,987 00					
Gold,	- - - 988 62						
Silver,	- - - 87,610 90						
		88,599 52					
		682,478 26					

Officers and Compensation.

Harvey Bates, President,	500 dollars per annum,
B. F. Morris, Cashier,	“
T. H. Sharpe, Teller,	“
J. P. Southard,	“

B. F. MORRIS, Cash'r.

State of the Branch at Bedford of the State Bank of Indiana, on November 21st, 2 o'clock, P. M, 1840.

Dr.		Cr.	
Bills Discounted, . . .	\$146,439 33	Capitol Stock Paid in, - - -	\$174,300 00
Bills of Exchange, - . .	79,831 26	Discount, - - -	1,172 01
		Exchange, - - -	442 53
Suspended Debt, on Personal Security, . . .	26,597 37	Profit and Loss, - - -	300 00
Suspended Debt on Bills, . .	14,983 92	Commis'rs of the Sinking Fund, 5,070 31	
“ on Bonds and Mortgages, . . .	3,091 50	Fund Commissioners on account Surplus Revenue, 1,319 30	
Banking House, of State Bank, 1,841 80		Surplus Fund, - - -	13,555 04
Other Real Estate, . . .	1,300 00	Permanent (School) Fund, 435 75	
Banking House of this Branch, 1,572 88		Unclaimed Dividends, - - -	2,194 31
Furniture and Fixtures, . .	141 70		
Current Expense, . . .		Suspended Interest account, 4,856 38	
Due from other Branches, viz: 35 45		Due to Branch at Vincennes, - - -	
From the Branch at Madison, 176 19		Due to other Banks, viz: 1,526 24	
“ New-Albany, 713 87		Bank of Louisville, - - -	325 00
“ Terre-Haute, 5 06		Bank of Kentucky, - - -	97
“ Lafayette, 206 98		Merchant's Bank, New York, - - -	
Due from other Banks, viz: 1,102 10			
From the Northern Bank of Kentucky, Louisville, . . .	103 83		

Condition of the Branch at Vincennes of the State Bank of Indiana, on Saturday, 2 o'clock P. M., Nov. 21, 1840.

Dr.		Cr.	
Notes discounted,	\$213,425 50	Capital stock paid in,	\$163,750 00
Bills of exchange,	23,990 02	Circulation,	240,635 00
Suspended debt on per. security,	11,760 00	Individual deposits,	11,400 14
Banking house and lot,	20,209 00	Surplus fund,	\$17,359 25
Furniture and fixtures,	329 06	School fund,	400 00
Current expense,	47 50	Dividends unclaimed,	2,489 96
State Bank banking house,	1,841 80		
		Due to other branches:	20,249 21
Due from branch at Madison,		Branch at Evansville,	3,456 85
Due from other Banks, viz:		Branch at Terre-Haute,	2 58
Bank of U. States, Philadelphia,	2,774 26		
Merchants Bank, New-York,	491 54	Due to other banks, viz:	
Bank of Kentucky, Louisville,	205 57	Exchange bank, Pittsburgh,	1,304 42
Bank of Illinois at Lawrenceville,	476 00	Bank of Louisville, Louisville,	1,108 49
State Bank of Illinois at Mount		Bank of Missouri, St. Louis,	225 50
Carmel,	130 00	Farmers and Mechanics bank, Steu-	
		benville,	281 13
Indiana fund Commissioners,		State Bank of Illinois, Shawnee-	
Cash, viz:		town,	622 82
Other Brs. St. Bk. Indiana,	16,880 00		
Other State banks,	26,525 00	Suspended interest,	3,542 36
Gold,	13,214 00	Discount,	2,189 13

MEANS.

Notes discounted,	-	\$255,518 79
Bills of Exchange purchased	137,792 38	
Suspended debt on Personal Security, viz:		
Notes, -	20,987 31	
Notes in suit,	5,029 02	
	<u>26,016 33</u>	
Bills of Ex'ge,	1,467 20	
Do. in suit,	2,420 00	
	<u>3,887 20</u>	

Banking-house and Lot,	-	-	423,214 70
Furniture, -	-	-	8,614 67
Banking-house of State Bank of Indiana, -	-	-	599 24
Fund Commissioners of State of Indiana, -	-	-	1,841 80
Indiana Six per Cents, -	-	-	28,741 62
Cash, viz:	-	-	38,000 00

Notes of other Branches of State Bank of Indiana,	-	3,000 00
Kentucky and other State Bank notes and checks,	-	12,570 55
Indiana Treasury Notes,	-	18,225 00

LIABILITIES.

Capital,	-	\$318,150 00
Circulation,	-	233,535 00
Profit and loss,	-	3,048 15
Surplus Fund, -	-	26,555 80
School Fund, -	-	855 00
Individual Depositors,	-	39,289 52
Treasurer of the United States,	-	11 66
Commissioners of Sinking Fund from Surplus Revenue, -	-	2,357 50
Commissioners of Sinking Fund	-	3,540 33
Dividends unclaimed, -	-	1,564 94
Suspended Interest, -	-	2,980 44
Due to other Branches and Banks, -	-	54,794 06

Dollars,

685,682 40

Specie, - - - -	89,699 59
Due from other branches and banks,	123,495 14
	61,175 23
Dollars,	685 682 40

Officers of the Branch.

J. F. D. Lanier, President,	Salary	\$1,000 00
John Sering, Cashier	"	1,500 00
Isaac C. Lea, Clerk,	"	700 00
Sam'l B. Sering assistant cl'k,	"	400 00

The Hon. the Speaker of House of Representatives of the State of Indiana:

SIR: I have the honor, in obedience to the charter of the State Bank of Indiana, to lay before that branch of the legislature over which you preside, the foregoing statement of the condition and business of the Madison branch of said bank.

And am very respectfully your obedient servant,

JOHN SERING, *Cashier.*

Dr. *State of the Branch at Lafayette of the State Bank of Indiana, on Saturday,*
November 21, 1840, at 2 o'clock, P. M. Cr.

Notes discounted,	-	\$249,931 44	Capital stock paid in,	-	246,550 00
Bills of exchange,	-	25,731 51	Discount,	-	451 83
Suspended debt on personal security,	-	37,829 29	Interest,	-	11 66
Suspended debt on bills,	-	7,300 00	School fund,	-	674 88
Suspended debt on bonds and mortgages,	15,136 41		Surplus fund,	-	23,637 20
			Commissioners sinking fund,	-	4,083 86
			Unclaimed dividend,	-	4,669 23
		335,928 65			33,528 66
Banking house,	-	12,358 55	Certificates of deposits,	-	4,226 94
State bank house,	-	1,841 80	Suspense account (interest)	-	16,094 72
Other real estate,	-	9,551 91	Due to other branches, and banks—		
Current expenses,	-	51 08	Branch at Richmond,	-	595 04
Protest account,	-	160 50	“ Madison,	-	535 70
Furniture account,	-	615 34	“ New Albany,	-	203 22
Bank stock,	-	3,508 12	“ Evansville,	-	302 76
			“ Bedford,	-	136 58
		28,087 30	“ Terre Haute,	-	1,244 70
			“ South Bend,	-	728 83
Due from other branches and banks—					
Branch at Indianapolis,	-	224 13	Exchange Bank, Pittsburgh,	643 35	
“ South Bend,	-	41 95	Morris Canal and Banking Co.,	48 26	
“ Michigan City,	-	160 66	Ohio Life Insurance & Trust Co.,	196 84	
			Bank of Hamilton, Ohio,	86 65	
Bank of the United States,	11,000 00		Bank at St. Josephs, Michigan,	2 06	
Commercial bank of Cincinnati,	2,717 97				
Louisville Savings Institution, Ky.	1 30				
Bank of Circleville, Ohio,	3 06				
		426 74			3,746 83

Bank of America, N. Y. -	4,231 36	Lafayette Insurance Company,	-	250 00	
Bank of Kentucky, -	2,490 43	Notes Issued, -	-	344,061 00	1,227 16
F. and M. Bank, Steubenville,	57 26	On Hand, -	-	38,123 00	
Premium Account, -		Notes in circulation,	-		305,938 00
Fund Commissioners of Indiana,	152,563 87	Individual Deposites,	-		33,977 38
Interest to 31st Oc. 1840, -	16,094 72				
Cash, viz:					
Other Branches of State Bank, Ia.	7,611 00				
Other State Banks, -	20,125 00				
Silver, -	62,957 97				
Gold, -	985 60				
	91,679 57				
	<u>\$645,289 69</u>				<u>645,289 69</u>

R. MULLIKIN, Cashier.

SALARIES, &c.

J. S. Hanna, President	-	-	-	\$400
Cashier,	-	-	-	1300
A. P. Linn, Teller,	-	-	-	900
G. H. Harris, Book-Keeper, Notarial Fees.	-	-	-	

To the House of Representatives of the State of Indiana.

In accordance with the requisition in the 65th section of the Bank Charter, I herewith present to you, by direction and on behalf of the President and Directors of the Branch at Richmond of the State Bank of Indiana, a statement of the condition of this Branch on seventh day, at 2 o'clock in the afternoon, eleventh month 21st, 1840, together with the names of the officers, and the compensation to each.

All of which is respectfully submitted.

ELIJAH COFFIN, *Cashier*.

BRANCH BANK RICHMOND, }
11th month, 23d, 1840. }

Notes discounted,	-	177,661 05		Capital Stock,	-	-	219,150 00
Bills of exchange,	-	61,062 82		Discounts and Interest,	-	-	
Suspended Debt on Per. Security,	29,584 40		268,308 27	Exchange and Premiums,	-	-	
Banking House at Richmond,	3,260 90			School Fund,	-	-	1,242 80
" " for State Bank,	1,841 80			Surplus Fund,	-	-	625 00
Furniture and Fixtures,	288 16			Unclaimed Dividends,	-	-	19,802 92
Other Real Estate,	-		5,390 86	Suspended Interest,	-	-	3,429 31
Current Expense,	-		3,200 00	Commercial Bank, Cincinnati,	-	-	941 08
Protest Account,	-		160 12	Franklin Bank,	-	-	
Branch at Madison,	-	117 82	101 50	Ohio Life and Trust Co., Cincinnati,	-	-	437 60
" Lafayette,	-	855 38		Bank of Hamilton,	-	-	551 76
" Fort Wayne,	-	16 83			-	-	140 63
" South Bend,	-	5,000 00		Indiana Fund Commissioners, for	-	-	1,982 64
Merchant's Bank, New York,	65 78		5,990 03	Dividends,	-	-	1,300 00
Bank of N. America, Philadelphia,	14,242 11				-	-	
Mechanic's Bank, Baltimore,	674 66				-	-	
Lafayette Bank Cincinnati,	325 19				-	-	
Exchange Bank, Pittsburgh,	2 00				-	-	
Indiana State Bonds,			15,309 74		-	-	
Indiana Fund Commissioners, for			39,000 00		-	-	
advances, &c.,			16,393 85		-	-	

CASH, viz:—Notes of other Branches,

35,176 00
Notes of other Banks,
17,485 00
Gold, ...
1,336 82
Silver and Copper,
92,701 76

146,699 58

Dollars, 500,553 95

Notes in Circulation, ... 231,485 00
Individual Deposites, ... 20,595 20

Dollars, 500,553 95

Officers and their Salaries

A. C. Blanchard, President—Salary \$500 the year.

Elijah Coffin, Cashier—Salary \$1,500 the year, including clerk hire.

No rents paid. The Real Estate, other than the Banking Houses, has not yet been held a year.

ELIJAH COFFIN, Cashier.

Condition of the Branch at Lawrenceburgh of the State Bank of Indiana, on 21st November, 1840.

428

Bills discounted,	-	\$270,637 53	Capital stock paid in,	-	\$282,000 00
Bills of exchange,	-	82,621 18	Discount,	-	\$649 25
Suspended debt on pers'l security,	19,368 65		Exchange,	-	333 68
“ on bills,	18,445 51		Interest,	-	51 66
“ on b'ds and mt'gs,	8,900 00				1,034 59
			U. S. Pension Agent in Indiana,		133 18
Banking house,	-	9,245 72	School fund,	-	850 00
Do. State Bank,	-	1,841 86	Surplus fund,	-	46,430 07
Other real estate,	-	3,016 76	Unclaimed dividends,	-	3,259 48
Furniture,	-	761 65	Franklin bank Cincinnati,	-	678 03
Current expense,	-	44 28	Commercial Bank Cincinnati,	-	643 01
			Bank of Kentucky,	-	1,047 87
Due from State Bank,	-	7 95	“ Louisville,	-	44 00
Due from other Branches:			Philadelphia bank, Philadelphia,		728 96
Branch at Indianapolis,	-	1,009 89	Covington branch N. Bank, Ky.,		207 88
“ Madison,	-	2,444 72	F. and Mechanics B. Steubenville,		478 79
“ New-Albany,	-	514 59	Amer. Exchange Bank, N. York,		29,855 09
“ Terre-Haute,	-	384 10	Mech's Savings Inst'n, Louisville,		1,200 00
“ Fort-Wayne,	-	8 00	Mer. and Mech's B'k, Wheeling,		86 88
					34,970 51
Bank Ohio Life Insurance and			Sinking fund acc't Sur. Rev.,		111 52
Trust Company,	-	4,751 31	Suspense account,	-	10,615 00
Lafayette Bank, Cincinnati,	-	501 71	Circulation,	-	235,308 00
U. States Bank, Philadelphia,	-	1,571 02			
H. H. Goodman & Co.,	-	8 00			

Merchants bank New Orleans,	3,114 75		
Exchange bank Pittsburgh,	901 79		
Exchange bank Cincinnati,	4 00		
F. and M. bank Albany, N. Y.,	2 00		233,719 00
Bank of America, N. Y.,	53 92		18,826 69
Ohio Life Insurance and Trust Co.			
Agency N. York,	3,935 71		
Merchants bank Baltimore,	300 00		
George Milne & Co. Cincinnati,	1,250 00	16,394 21	
Remittance to Cincinnati,	2,550 00		
Remittance to New Orleans,	50 00		
Indiana State bonds 6 per cent.,		2,600 00	
Fund Commissioners,		52,000 00	
Protest account,		52,315 59	
		99 79	
Cash, viz:			
Notes on other br's State B'k Ia.	10,745 00		
“ on banks of other States,			
Specie: Silver,			
Gold,			
Checks,			
		89,288 06	
		<u>\$631,950 04</u>	<u>\$631,950 04</u>

W. B. THURSTON, Cashier.

SALARIES, &C.

Rents Paid,	.	.	.	None.
D. S. Major, President,	.	.	.	Salary not fixed.
W. B. Thurston, Cashier,	.	.	.	\$1000.
H. K. Hobbs, Book-Keeper,	.	.	.	500.

The Real Estate owned by this Branch, say \$3,016 76, has not been held a year by this Bank, and is not yet advertised.

W. B. THURSTON, Cashier.

BRANCH BANK OF INDIANA, }
 Terre-Haute, Dec. 2, 1840. }

SIR: I have the honor to hand herewith inclosed, a statement shewing the condition of this Branch on Saturday, November 21st, 1840, (being the third Saturday of said month,) at two o'clock P. M., as required by the sixty-fifth section of the Charter of the State Bank of Indiana.

I am Sir, very respectfully,

Your obedient servant,

A. B. FONTAINE, Cashier.

*To the Honorable, the Speaker of the
 House of Representatives of Indiana.*

Condition of the Branch at Terre-Haute of the State Bank of Indiana, on Saturday, November 21st, 1840.

Dr.		Cr.	
Bills discounted,	- - \$152,800 59	Capital stock paid in,	- - 206,000 00
Bills of exchange,	- - 32,405 85	Discount,	- -
Suspended debt,	- - 37,462 28	Exchange,	- -
		Profit and loss,	- - 1,357 40
Banking House for this Branch,	11,618 93	School fund,	- - 461 63
“ for State Bank,	1,841 80	Unclaimed dividend,	- - 2,030 87
			2,492 50
Furniture,	- - 656 25	Due to other Branches, viz:	
Current expense,	- - 514 38	Branch at Indianapolis,	- - 3,002 07
Protest,	- - 103 02	“ Lawrenceburgh,	- - 384 10
		“ Richmond,	- - 285 63
Due from other Branches and Banks, viz:		“ Madison,	- - 1,168 47
Branch at Vincennes	- - 52 58	“ New-Albany,	- - 1,286 36
“ Bedford,	- - 5 25	“ Evansville,	- - 84 25
“ Lafayette,	- - 1,735 87	“ South-Bend,	- - 120 67
“ Fort-Wayne,	- - 68 25		6,331 55
		Due to other Banks, viz:	
Commercial bank of N. Orleans,	39 40	Far. and M. bank, Steubenville,	488 10
Merchants bank of Baltimore,	1,605 70	Branch bank of Illinois, Vandalia,	134 25
Bank of Illinois, Shawneetown,	76 88	Bank of Missouri, St Louis,	160 00
Southwark bank of Philadelphia,	25,597 48	Clinton bank of Columbus, Ohio,	106 00
Union bank of Maryland,	- - 4 00	Bank of Kentucky,	- - 2,852 12
Philadelphia bank,	- - 6,695 46	Bank of Louisville,	- - 1,513 49
New-York Dry Dock Company,	12,900 93	Dry Dock Co. N. York, special ac't.	7 60
Franklin bank of Cincinnati,	6,423 87		
Commercial bank	“ - 2 84		5,261 56

Condition of the Branch at South Bend of the State Bank of Indiana, on November 21, 1840.

Dr.		Cr.	
Bills Discounted, . . .	\$140,496 36	Capital Stock, . . .	\$96,718 75
" of Exchange, . . .	37,102 30	Discount, . . .	139 43
Suspended Debt, . . .	34,218 24	Premium, . . .	47 56
		Exchange, Interest, . . .	55
			187 54
Banking House, including Lot for banking House, . . .	1,582 92	School Fund, . . .	400 00
State Banking House, . . .	1,841 80	Surplus Fund, . . .	9,936 85
Other Real Estate, . . .	5,000 00	Unclaimed Dividend, . . .	1,041 85
Furniture, . . .	501 21	Commissioners of Sinking Fund, . . .	283 50
Current Expense, . . .	44 78	State of Indiana, Int. Imp't Fund, . . .	1,953 29
Protest, . . .	86 10		13,615 49
		Due to other Branches:	
Due from other Banks:		Branch at Indianapolis, . . .	313 69
Bank of Michigan, . . .	787 69	" Lawrenceburgh, . . .	50 00
" Buffalo, . . .	497 71	" Terre-Haute, . . .	225 02
Branch of Farmers' and Mech.		" Madison, . . .	81 87
Bank St. Joseph, . . .	9,888 93	" Lafayette, . . .	162 93
Albany City Bank, . . .	2,493 33	" Fort Wayne, . . .	517 09
		" Michigan City, . . .	6,828 59
			8,179 19
State Bonds, . . .	10,000 00	Due to other Banks:	
Remittance, . . .	2,704 07	City Bank, New York, . . .	468 81
		Seneca County Bank, . . .	1 50
		Circulation, . . .	470 31
			189,296 00

CASH, viz:—				
Other Branch Paper,	1,942 00		Individual Depositors,	14,442 73
“ Bank Paper,	5,539 00		Certificates,	1,012 96
		7,481 00		
SPECIE—				15,455 69
Silver,	64,832 39			
Gold,	4,364 14			
		69,196 53		
		<u>\$323,922 97</u>		<u>\$323,922 97</u>

The officers of this Institution are—

A President, who receives no compensation: A Cashier, who receives \$1,100 per annum: A Teller, who receives \$900 per annum. Annual rent paid for Banking House, \$275.

H. CHAPIN, Cashier.

State of the Branch at Michigan City, of the State Bank of Indiana, on Saturday, Nov. 21st, at 2 o'clock, P. M. 1840.

		Cr.	
Dr.			
Bills Discounted,	116,773 40	Capital Stock paid in	120,000 00
Domestic bills of Exchange,	55,032 04	Discount,	432 67
Suspended debt on Personal Security,	34,818 28	Exchange,	116 28
	<u>206,623 72</u>		<u>548 95</u>
Banking House,	1,111 00	Circulation,	209,725 00
“ for State Bank,	1,841 80	Individual Deposites,	9,122 17
Furniture and Fixtures,	620 20	School Fund,	400 00
Cash, viz:		Unclaimed Dividend,	1,134 88
Silver,	83,562 94	Deposites by and dues to other branches and Banks, viz:	
Gold,	1,805 58	Branch at Indianapolis,	165 99
Other branches State Bank of Indiana,	40,549 00	“ New-Albany,	3 20
Other State Banks,	2,531 00	“ Lafayette,	160 66
Checks and Certificates,	71 00	“ Fort-Wayne,	40 00
	<u>128,519 52</u>		<u>369 85</u>
Current Expense,	79 23	Other Banks:	
Commissioners of Sinking Fund,	242 50	Bank of Norwalk, Ohio,	32 56
Protest Account,	33 90	State Bank of Illinois,	41 30
Deposites in and dues from other branches and Banks, viz:		Agency of do at Chicago,	1,778 79
Branch at Madison,	41 14	Girard Bank, Philadelphia,	10 00
“ South Bend,	6,831 09		<u>1,862 65</u>
	<u>6,872 23</u>	Certificates of Deposite,	5,313 22
		Indiana Fund Commissioners, Dividend No. 3, State Stock	2,400 00
		Surplus Fund,	8,441 05
		Surplus Revenue Fund,	200 00

Other banks:		
City bank New-York,	-	3,047 19
Rochester City bank,	-	209 45
Merchants' Exchange bank, Buffalo,	75 37	
Silver Creek bank, New-York,	1 00	
		3,333 01
Remittances: New-York,	-	50 00
Detroit,	-	180 66
Lafayette,	-	10 00
		240 66
Indiana State 6 per cent. bonds,		10,000 00
		<u>\$359,517 77</u>
		\$359,517 77

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Officers and Salary.

Joseph Orr, President, Salary,	-	\$500 a year.
A. P. Andrew, jr., Cashier, Salary,	-	1,200 "
Samuel Gordon, jr., Teller, "	-	600 "
John B. Niles, Esq. Attorney, "	-	75 "

By order of the Board of Directors.

Respectfully submitted,
A. P. ANDREWS, Jr., Cashier.

EVANSVILLE BRANCH BANK, }
 26th November, 1840. }

The Board of Directors of the Evansville branch of the state bank of Indiana, beg leave to report to the General Assembly of Indiana, that the enclosed exhibits a statement of the condition of the said branch, as the same was found on the 21st day of November, 1840, and contains all the items required to be reported upon, by the 65th section of the charter of said bank, with the exception of the number of officers and servants in this branch, and the amount of compensation to each, which are as follows:

John Mitchell, President, no Salary.

John Douglass, Cashier, \$1,200 per annum.

Horace Dunham, Clerk, \$600 per annum.

All which is respectfully submitted.

JOHN MITCHELL, President.

JOHN DOUGLASS, Cashier.

Bills discounted	-	-	164,041 56	Capital stock paid in	-	-	190,600 00
Domestic bills of exchange,	-	-	31,628 13	Discount,	-	-	282 30
Suspended debt, on bills,	-	-	5,000 00	Exchange,	-	-	135 24
Banking house	-	-	28,020 62	Surplus Fund,	-	-	13,279 84
State banking house,	-	-	1,841 80	Permanent Fund	-	-	424 75
				Sinking Fund,	-	-	897 75
Current expense,	-	-	29,862 42	Unclaimed dividends,	-	-	2,414 25
Deposites in, and dues from other			11 72	Suspended Interest,	-	-	7,870 31
Branches and banks, viz:							
Branch at Vincennes	-	-	2,014 12	Deposites by, and dues to other			24,886 90
Terre-Haute,	-	-	85 94	Branches and banks, viz:			
Lafayette,	-	-	292 76	Branch at Madison,	-	-	229 09
				New Albany	-	-	30
Bank of Baltimore,	-	-	292 00				
Bank of Missouri,	-	-	400 00	Bank of Kentucky,	-	-	99 80
Ohio Life Insurance and Trust				Bank of Louisville,	-	-	2,245 89
Company, Cincinnati,	-	-	161 98	Louisville Savings Institution,	-	-	192 92
Merchants bank, Wheeling,	-	-	4 00	Commercial bank of Cincinnati,	-	-	3,230 27
New Orleans Canal and banking Co.	22 57			Phoenix bank, New York,	-	-	1,593 28
			880 55	Merchants' bank New York,	-	-	1,762 46
Commissioners of Canal Fund,	-	-	101,724 65	Bank of Illinois, Shawneetown	-	-	524 50
State bonds,	-	-	19,000 00	do. Lawrenceville,	-	-	100 00
State bank,	-	-	198 00	Lafayette bank, Cincinnati,	-	-	503 61
				Merchants and traders' bank, Cin.	-	-	109 37
			120,922 65				

FORT WAYNE BRANCH.

To the Honorable the Speaker of the House of Representatives, of the State of Indiana: The following is respectfully submitted, in conformity with the 65th section of the charter of the State Bank of Indiana, as the condition of the Branch at Fort Wayne, on Saturday, November 21, 1840.

Dr.		Cr.
Notes discounted,	-	254,146 07
Bills of exchange,	-	12,237 35
Suspended debt,	-	19,088 52
Banking-house and lots of this bra'h	15,523 05	285,472 44
Banking-house of State Bank,	-	1,841 80
Other real estate,	-	2,611 25
Furniture and fixtures,	-	19,976 10
Protes account,	-	620 88
Fund Commissioners of Indiana,	-	22 25
Due from other Branches of S. Bank,	-	52,238 25
Due from Phoenix Bank, N. Y.	-	964 35
Due from all other Banks,	-	33,414 41
Bank Stock,	-	1,901 07
Suspense account,	-	35,315 48
Remittance,	-	343 00
	-	426 46
	-	1,520 30
Capital stock,	-	-
Circulation,	-	-
Individual deposits,	-	-
Permanent School Fund,	-	-
Surplus Fund,	-	-
Commissioners Sinking Fund Indiana,	-	-
Fund Commissioners of Indiana,	-	-
Due to other Branches of State Bank,	-	-
Due to other Banks,	-	-
Dividends unclaimed,	-	-
Suspended Interest,	-	-
Profit and loss,	-	-
		160,000 00
		286,074 00
		25,754 89
		400 00
		27,172 59
		5,132 38
		1,303 32
		369 92
		150 00
		2,608 14
		2,995 57
		464 79

Cash, viz:

Indiana treasury notes,	-	6,700 00
Notes of other branches,	-	700 00
Notes of State Banks,	-	26,223 00
Silver,	-	71,294 38
Gold,	-	10,613 71

115,531 09

\$512,430 60

\$512,430 60

THE OFFICERS OF THE BRANCH ARE AS FOLLOWS:

Allen Hamilton, President, no salary.
H. McCulloch, Cashier, \$1,200 per annum.
M. W. Hubbell, Teller, \$850 per annum.

The real estate owned by this branch, except that used for banking purposes, was taken to secure a debt due the branch. It has been duly offered at public sale, but was not sold, no bid having been made for it equal to the cost.

H. McCULLOCH, Cashier.

State bonds,					
Due from other banks, viz:					
Bank of Louisville,					
Bank of Kentucky,					
Northern bank at Louisville,					
Louisville saving's institution,					
Merchant's bank, N. York,					
Morris canal and banking co.					
Girard bank, Philadelphia,					
Union bank of Louisiana,					
Commercial rail road bank,					
M. & M. bank of Wheeling.					
Phoenix bank, New York,					
Bank of North America,					
M. sav. institu., Louisville,					
Bank of Missouri,					
Commercial bank, Cincin.,					
Cash, viz:					
Other branches of state bank					
of Indiana,			14,159 00		
Other state banks,			10,056 00		
Silver,		67,088 82			
Gold,		3,563 31			
			70,652 13		
				94,867 13	
					485,239 77
					Dollars,
					J. R. SHIELDS, Cashier.
Suspended interest account,					
Due to other banks, viz:					
Union bank of Louisiana,					
Bank of Louisville,					
Bank of Kentucky,					
Northern bank, at Louisville					
Louisville saving's institu.					
M. & M. bank, Wheeling,					
Merchant's bank, N. York,					
Morris canal and banking co.					
Girard bank, Philadelphia,					
M. sav. institu., Louisville,					
Bank of Pittsburgh,					
Exchange bank, Pittsburgh,					
M. & M. bank, Pittsburgh,					
F. & M. bank, Steubenville,					
Bank of Missouri,					
New Albany Insurance Co.					
Mechanics' bank, Newark,					
Commercial bank, Cin.					
Bank of Baltimore,					
Sinking fund commissioners,				165,647 00	
Circulation,				15,509 43	
Individual deposits,					181,156 43
					485,239 77
					Dollars,
					J. R. SHIELDS, Cashier.

3,052 23

We, the undersigned, President and Cashier of the branch of the State bank of Indiana, at New Albany, do hereby certify that the foregoing exhibits a true and correct state of the bank as it was at the closing of the bank at 2 o'clock, P. M. on Saturday the 21st day of November, 1840. The officers and clerks of this bank are, a President whose salary is \$1,000 per annum; a Cashier, whose salary is \$1,500 per annum; a first clerk, whose compensation is \$800, and a second clerk whose compensation is \$500 per annum.

Given under our hands, this 21st day of November, 1840.

M. C. FITCH, President.

J. R. SHIELDS, Cashier.

STATEMENT NO. 1.

Showing the amount of assessments, net amount due the Treasury, amount paid and balance due from the respective

Counties for 1840.

COUNTIES.	Amount of assessment by per clerks return for 1840.	Total amount of assessments, for 1840.	Delinquents, for 1840.	Commission for collecting.	Mileage.	County Net amount due the Treasury.	Amount paid into the treasury.	Balance due Overpayments.	REMARKS.
Allen	2,249 39	24 24	2,273 63	369 40	171 35	9 00	1,728 85	1,728 85	Paid since 1st January.
Adams	313 13	14 11	327 24	31 36	96 69	3 06	280 19	280 19	
Bertolone	2,900 08	15 22	2,915 30	154 73	142 45	3 32	2,609 60	2,609 60	
Bourne	1,776 70	56 72	1,793 42	53 81	162 86	1 02	1,645 13	1,615 18	
Brown	2,629 13	3 27	2,72 11	16 21	23 99	2 70	2,29 80	2,29 80	
Buckard	1,31 27	14 16	1,45 43	16 12	10 40	6 00	1,29 36	1,29 36	
Canby	3,269 81	30 06	3,299 87	231 78	323 83	7 00	3,563	3,563	
Clark	933 63		933 63	66 95	62 16		933 63	483 63	No settlement.
Crawford	743 74	13 90	2,309 20	129 57	169 16	1 50	621 51		
Crawford	2,607 98	171 21	2,607 98	129 57	169 16	1 50	1,916 18		
Cass	1,603 25	47 10	1,603 25	269 29	127 36	1 20	1,332 91	256 42	Paid since 1st January.
Clinton	5,531 03	6 74	5,531 03	270 13	355 58	5 70	5,175 35		
Clinton	5,531 03	6 74	5,531 03	270 13	355 58	5 70	5,175 35		
Deane	3,919 98	78 27	3,919 98	150 67	316 76	2 74	3,119 81	3,119 81	Paid since 1st January.
Deane	1,516 63	63 21	1,579 84	71 25	135 78	6 50	1,366 06		
Delaware	674 83		1,811 98	27 00	56 30	5 80	575 93		
Delaware	1,800 71	11 26	1,811 98	164 02	146 31	3 26	1,496 29	97 84	Paid.
De Kalb	1,214 81	21 98	1,214 81	156 62	78 26	1 14	1,058 15	7 70	
De Kalb	4,240 80	60 29	4,240 80	156 62	78 26	1 14	3,984 18	745 17	\$926 83 paid since the 1st Jan. No settlement.
Floyd	4,671 61	31 72	4,671 61	269 49	397 58	4 20	4,015 80	1,382 06	No settlement.
Franklin	4,672 29	31 72	4,672 29	269 49	397 58	4 20	4,015 80		
Fulton	3,839 30	8 53	3,839 30	128 96	307 70	4 20	3,107 03		
Fulton	384 00	6 11	3,907 11	46 03	30 96	5 51	307 54	307 54	
Gilson	2,674 30	30 15	2,674 30	61 55	234 89	9 00	1 64	2,361 37	
Greene	1,261 00	10 12	1,291 12	105 32	106 67	4 80	1,067 17	1,067 17	
Greene	1,401 55	8 27	1,401 55	105 32	106 67	4 80	1,014 71	1,014 71	
Hamilton	2,674 30	30 15	2,674 30	61 55	234 89	9 00	1 64	2,361 37	
Hendricks	3,156 33	12 62	3,156 33	196 10	320 59	1 33	2,169 86	394 56	Paid since 1st January.
Hendricks	3,156 33	12 62	3,156 33	196 10	320 59	1 33	2,169 86	394 56	\$2,631 95, paid since.
Henry	4,169 04	70 70	4,239 74	32 91	377 60	3 38	3,753 35	3,753 35	
Hancock	1,845 52	20 77	1,906 29	192 16	129 67	1 20	1,613 28	1,613 28	
Hancock	382 10	3 62	3,907 23	128 61	139 56	5 82	232 68	232 68	
Hamilton	1,835 16	10 00	1,865 16	304 98	138 43	4 44	1,597 49	1,597 49	
Hamilton	1,835 16	10 00	1,865 16	304 98	138 43	4 44	1,597 49	1,597 49	
Jennings	1,837 28	6 59	1,837 28	122 50	112 50	3 62	1,715 95	1,715 95	
Johnson	3,179 24	14 00	3,193 84	68 98	279 43	1 20	2,824 33	2,824 33	
Knox	418 83	15 81	434 66	58 07	33 89	6 12	336 58	336 58	
Knox	111 14	4 54	115 68	32 44	8 40	7 00	77 81	77 81	
Kosciusko	3,735 91	44 12	3,780 03	238 44	318 74	7 20	3,215 65	3,215 65	No settlement.
Kosciusko	615 52	13 89	629 31	72 63	50 10	7 20	499 39	499 39	No settlement.
Lawrence	3,219 81	95 79	3,314 81	203 18	280 01	10 50	2,749 56	2,749 56	No settlement.
Lake	2,290 76	6 02	2,292 53	35 76	16 01	1 40	2,298 76	2,298 76	No settlement.
Lake	216 45	6 02	1,885 30	35 76	16 01	1 40	1,139 16	1,139 16	No settlement.
Madison	1,885 30	37 17	1,885 30	35 76	16 01	1 40	1,885 30	1,885 30	No settlement.
Madison	6,314 93	34 69	6,314 93	34 69	34 69	3 18	4,463 45	4,463 45	Paid since 1st January.
Montgomery	5,663 59	37 61	5,663 59	37 61	37 61	3 18	4,463 45	4,463 45	
Montgomery	2,908 63	17 13	2,908 63	17 13	2,908 63	17 13	2,908 63	2,908 63	
Morgan	631 13	13 97	631 13	13 97	631 13	13 97	631 13	631 13	
Morgan	355 76	7 41	363 17	68 50	26 70	6 72	363 25	363 25	Refunded.
Noble	448 83	38 20	448 83	107 78	34 13	10 26	334 90	334 90	
Noble	2,447 36	33 98	2,447 36	33 98	2,447 36	33 98	2,447 36	2,447 36	
Orange	1,800 71	11 26	1,811 98	164 02	146 31	3 26	1,613 28	1,613 28	
Orange	1,800 71	11 26	1,811 98	164 02	146 31	3 26	1,613 28	1,613 28	
Owen	1,112 41	24 19	1,112 41	24 19	1,112 41	24 19	1,112 41	1,112 41	
Owen	998 77	6 86	1,005 63	191 58	78 23	2 26	752 19	962 13	
Putnam	2,721 65	2 07	2,724 35	179 30	229 03	10 80	2,305 18	2,305 18	No settlement.
Putnam	4,124 95	30 13	4,215 05	214 74	360 02	9 40	3,637 89	3,637 89	\$50 00 paid since 1st January.
Porter	379 89	75 80	379 89	75 80	379 89	75 80	379 89	191 16	No settlement.
Porter	379 89	75 80	379 89	75 80	379 89	75 80	379 89	191 16	
Randolph	1,497 01	57 90	1,497 01	57 90	1,497 01	57 90	1,497 01	1,497 01	
Randolph	1,497 01	57 90	1,497 01	57 90	1,497 01	57 90	1,497 01	1,497 01	
Ripley	1,299 00	47 25	1,299 00	47 25	1,299 00	47 25	1,299 00	1,299 00	
Ripley	1,299 00	47 25	1,299 00	47 25	1,299 00	47 25	1,299 00	1,299 00	
Shelby	3,666 37	51 19	3,666 37	51 19	3,666 37	51 19	3,666 37	3,666 37	No settlement.
Shelby	1,337 30	37 07	1,337 30	37 07	1,337 30	37 07	1,337 30	802 30	No settlement.
St. Joseph	1,603 16	18 96	1,603 16	18 96	1,603 16	18 96	1,603 16	921 55	No settlement.
St. Joseph	1,603 16	18 96	1,603 16	18 96	1,603 16	18 96	1,603 16	921 55	
Tippecanoe	5,537 01	73 75	5,537 01	73 75	5,537 01	73 75	5,537 01	2,618 21	\$51 58 since 1st Jan. No settlement.
Tippecanoe	2,402 63	58 24	2,402 63	58 24	2,402 63	58 24	2,402 63	2,618 21	
Vanderburgh	2,402 63	58 24	2,402 63	58 24	2,402 63	58 24	2,402 63	2,618 21	No settlement.
Vanderburgh	2,402 63	58 24	2,402 63	58 24	2,402 63	58 24	2,402 63	2,618 21	
Wells	5,011 31	30 37	5,011 31	30 37	5,011 31	30 37	5,011 31	904 43	No settlement.
Wells	5,011 31	30 37	5,011 31	30 37	5,011 31	30 37	5,011 31	904 43	
Washington	5,011 31	30 37	5,011 31	30 37	5,011 31	30 37	5,011 31	904 43	
Washington	5,011 31	30 37	5,011 31	30 37	5,011 31	30 37	5,011 31	904 43	
Wayne	4,522 03	2 07	4,522 03	2 07	4,522 03	2 07	4,522 03	4,152 10	No settlement.
Wayne	4,522 03	2 07	4,522 03	2 07	4,522 03	2 07	4,522 03	4,152 10	
Wabash	765 75	24 06	765 75	24 06	765 75	24 06	765 75	635 50	
Wabash	2,419 37	36 91	2,419 37	36 91	2,419 37	36 91	2,419 37	635 50	
Warren	2,043 01	11 61	2,043 01	11 61	2,043 01	11 61	2,043 01	1,821 19	No settlement.
Warren	2,043 01	11 61	2,043 01	11 61	2,043 01	11 61	2,043 01	1,821 19	
Whitley	168 15	8 47	176 62	37 42	13 42	6 90	128 88	81 11	Paid since 1st January.
	\$191,493 25	\$2,729 34	\$197,332 398	\$10,566 70	\$11,806 03	\$3,480 73	\$171,079 45	\$145,196 20	\$25,293 90 16 46 91



REPORT

BY MR. JENCKES,

FROM THE

COMMITTEE ON WAYS AND MEANS.

One thousand copies ordered to be printed.

MR. SPEAKER:

The committee on Ways and Means submit the following

REPORT:

The committee have examined the offices of the Auditor and Treasurer of State, and find that in consequence of the treasury notes, which were issued by the last Legislature, a very unusual amount of labor has been performed in those offices within the last year, and in a manner too, perfectly satisfactory to the committee. The books, papers and accounts have been accurately and neatly kept, and every thing

bears testimony to the fidelity and zeal with which those officers have discharged their respective duties. The following tables and estimates show the data from which the committee deduce the amount of tax to be assessed, upon each one hundred dollars of property for the year 1841, to meet the current expenses and liabilities of the state for the year 1842. Table No. 1, is an abstract of the assessments, collections and payments into the treasury for the year 1840. Whence it appears that the net amount of Revenue for that year, was \$171,079-45, and the amount actually paid into the treasury at the close of the year was \$145,196 20, leaving a balance due of \$25,930 16.

Table No. 2, shows the receipts and expenditures for the year 1840, by which it will be seen that the balance remaining in the Treasury on the first of January, 1841, was \$166,558 16 cts.

Table No. 3, exhibits the balances due the State from the Collectors of the several counties from 1st of January, 1822, to 1st. of January, 1841.

No. 4, is an estimate of the means of the Treasury and the demands upon the same for the ordinary expenses of the State, for the year 1841.

No. 5, is an estimate of the means of the Treasury and the demands upon it on account of Internal Improvements, Wabash and Erie Canal, and Bank debt, for the year 1841; from which it will be seen that the means of the Treasury after having deducted the civil list, will be \$223,426 91, and the demands upon it will be \$472,225 88 cts., which shows a deficit of \$248,798 97 cts., at the close of 1841.

No. 6, is an estimate of the probable amount of receipts applicable to the expenditures of 1842, on the supposition that the tax on polls is levied at \$1, and the tax on property at 40 cts. on each one hundred dollars.

No. 7, is an estimated expose of the condition of the Treasury at the close of 1842, provided the deficit for Internal Improvements, amounting to \$248,798 97 cts., is paid otherwise than by taxation, at the rate of \$1 poll tax, and 30 cents on \$100 valuation.

It will be seen by table No. 6, that upon the supposition that the poll tax is one dollar and the state tax is forty cents on each one hundred dollars, that at the end of 1842, there will be a deficit in the treasury of \$182,883 85; but should the deficit of 1841, amounting to \$248,798 97, included in the table as a part of the demands on the treasury for 1842, be provided for *otherwise* than by taxation, there will be a surplus in the treasury at the end of 1842, amounting to \$65,915 12 cts.

It will be seen from No. 7, that exclusive of the \$248,798 97 cts., the deficit of 1841, upon the supposition that the poll tax is one dollar and the state tax thirty cents on each one hundred dollars, that there will be a deficit at the end of 1842 of \$40,244 88 cts.

If this legislature provide by special enactment for the deficit of 1841, amounting as above to \$248,798 97 cts., then it will require a poll tax of one dollar and a state tax of 34 cts. on each \$100 to meet

the demands on the treasury for 1842, leaving a balance in the treasury of only \$2,059 .

As the foregoing estimates are all predicated upon the supposition that the present legislature will provide for the redemption of the Treasury notes now outstanding, and also for refunding to the Treasury the amount of Treasury notes and interest thereon received in payment of revenue for 1840, the committee deem it unnecessary now to report a bill upon that subject, but recommend to the consideration of the House, a bill now in committee of the whole, to provide for the redemption of Treasury notes, &c., which was reported by this committee on instructions received from the House at an early day in the session.

The committee have no means of procuring information in relation to the financial condition of the State not equally possessed by other members of the House, viz: the reports of the Auditor, Treasurer and Fund Commissioner, and as these officers differ more than half a million of dollars in their estimates of the amount of state indebtedness, it is impossible for the committee to frame a report which will not be open to objection. They have done nothing more than present a few "estimates" which may aid some members of the House in arriving at correct conclusions as to the amount of tax necessary to meet the claims on the Treasury for the year 1842. The committee are of opinion that the last legislature underrated the patriotism of the people of Indiana, when they decided in the midst of pecuniary embarrassment to reduce their taxes one half in amount, and though the committee are aware that the tax they recommend is calculated to test it severely, they know of no instance in which their patriotism has been appealed to, when that appeal has been in vain. A crisis has arrived in the financial condition of the State, and the action of this Legislature will raise the character of Indiana to honor, or sink it to infamy. Which shall it be? Respectfully submitted,

JOS. S. JENCKES.

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NC

treasury loans,	101	102	14	00
Contingent expenses	-	102	702	58
Expenses of Presidential elec-	-			

STATEMENT NO. 3.

A List of Balances due from Collectors, delinquent from 1st of January, 1822, to 1st January, 1841.

COUNTIES.	1822	1823	1824	1825	1826	1827	1828	1829	1833	1834	1835	1837	1838	1839	1840	REMARKS.
Clark, - - -	- -	923 00	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Clay, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	483 63	No settlement.
Cass, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	937 07	- -	Not sued on.
DeKalb, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	7 70	
Dearborn, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	100 07	- -	Sued on.
Decatur, - - -	- -	- -	- -	- -	- -	- -	176 32	- -	- -	- -	- -	- -	- -	- -	- -	
Daviess, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	108 18	- -	Sued on.
Elkhart, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	218 34	Balance, but no settlement.
Fayette, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	773 02	- -	Sued on.
Floyd, - - -	184 15	733 84	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,382 06	No settlement.
Fulton, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	10 00	- -	- -	Sued on.
Hendricks, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	200 00	
Huntington, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	45 00	52 22	- -	- -	- -	- -	Sued on.
Jackson, - - -	224 50	- -	- -	- -	- -	326 03	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Jefferson, - - -	- -	33 74	- -	92 01	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Jennings, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	38 16	
La Grange, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	8 79	90 31	Balance, but no settlement.
La Porte, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	642 49	Balance, but no settlement.
Marshall, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	206 58	- -	- -	Sued on.
Madison, - - -	- -	- -	- -	- -	- -	59 94	- -	- -	- -	- -	- -	- -	- -	- -	185 30	Balance, but no settlement.
Martin, - - -	203 94	217 19	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Porter, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	88 62	- -	- -	188 72	Balance, but no settlement.
Posey, - - -	- -	- -	- -	- -	- -	- -	- -	- -	29 87	- -	- -	- -	- -	762 71	- -	Sued on.
Pike, - - -	- -	- -	- -	- -	- -	29 03	- -	- -	- -	- -	- -	- -	- -	- -	- -	
Polaski, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	75 80	No settlement.
Scott, - - -	- -	- -	104 32	- -	203 05	- -	261 28	- -	- -	- -	- -	- -	- -	- -	- -	
Spencer, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	501 48	- -	- -	802 30	Sued on for 1837.
Switzerland, - - -	- -	- -	- -	- -	- -	303 83	- -	- -	- -	- -	- -	- -	- -	- -	- -	
St. Joseph, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	80 89	2,648 21	No settlement.
Sullivan, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	826 67	- -	Sued on.
Steuben, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	303 92	No settlement.
Vanderburgh, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	9 29	- -	- -	1,088 71	Sued on for 1837.
Vigo, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	3 42	- -	1,251 45	No settlement.
Whitley, - - -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	47 77	
	612 59	1,907 77	104 32	92 01	203 05	718 83	437 60		29 87	45 00	52 22	599 39	220 00	3,597 40	9,654 87	



Showing the receipts and expenditures from January 1st 1840, to January 1st 1841.

R E C E I P T S .		E X P E N D I T U R E S .	
There was remaining in the Treasury on the 1st day of January 1840,	- - - \$315,371 49	There has been liquidated and paid at the Treasury from 1st January 1840, to 1st Jan. 1841, claims as follows, viz:	
There has been received at the Treasury up to 1st of January 1841, as follows viz:		For Public Printing, stationery, dis-tributing laws &c.	page 123 11,713 01
For revenue of 1838,	- - - page 125 20 00	Expenditures of last General Assembly,	- - - 114 45,154 79
do 1839,	- - - 140 21,483 10	For salaries of Executive officers,	" 104 4,400 00
do 1840,	- - - 236 145,196 20	do Prosecuting Attorneys	" 122 1,664 28
Sales of lots in Indianapolis	" 110 3,008 15	do Supreme and Circuit Judges,	" 108 15,802 24
Sales of College lands	" 132 2,010 55	do Probate Judges,	" 124 3,897 00
Sale of Saline lands	" 133 2,888 74	do Adj. & Qr. M. Genl's	" 119 150 00
From Estates without heirs	" 106 238 06	Expenses of State House,	" 134 1,101 87
Sales of public property, (for incidental recpt.)	- - - 190 96	do State Library,	" 131 400 00
Superintendents of State Prison—rent,	- - - page 128 18,100 00	do State Prison,	" 128 19,603 69
From borrowers of College funds, refunded,	- - - 116 2,271 00	do Michigan road,	" 120 100 00
do of treasury loans, refunded,	- - - 144 19,109 25	Specific appropriations,	" 129 6,082 93
Sale of mortgaged lands, for treasury loans,	- - - 147 6,932 83	Wolf scalp's certificates,	" 135 14 00
		Contingent expenses	" 102 702 58
		Expenses of Presidential elec-	

An estimate of the means of the Treasury and the demands upon the same for the Civil List for 1841.

There was remaining in the Treasury on the 1st of January 1841, as per Statement No. 2,	- - - -	\$166,558 16	Salaries of Judges and Prosecutors,	-	\$17,500 00
Estimated amount of outstanding revenue of 1839 and 1840, which may be realized in 1841,	- - - -	22,000 00	“ “ Executive officers,	-	5,500 00
Amount of Treasury loans to be refunded,	- - - -	9,807 75	Printing and Stationary,	-	10,000 00
Amount from sale of lots in Indianapolis,	- - - -	1,500 00	Expenses of the General Assembly,	-	37,000 00
			Specific and contingent expenses,	-	6,000 00
			Probate Judges,	-	4,000 00
			State Library,	-	400 00
			Militia,	-	150 00
			Seat of Government including Library fund,	-	1,700 00
			Estates without heirs to be refunded,	-	1,180 00
Deduct Civil List for 1841,	- - - -	\$199,865 91	Conscientious fines to be distributed,	-	509 00
		84,939 00	Expenses of State House,	-	1,000 00
Amount in Treasury at the close of 1841,	114,926 91				
					\$84,939 00

NOTE.—This estimate is based upon the suppositions that the State will provide for the redemption of the Treasury Notes in the Treasury—that the State Prison will defray its own expenses, and that there is no balance due the Seminary and Saline Funds.

No. 5.

An estimate of the means of the treasury, and the demands upon it on account of Internal Improvement, Wabash and Erie Canal, and Bank debt for the year 1841.

Amount in the Treasury as by No. 4, There will be received as follows viz:		Demands on the Treasury for 1841, The entire amount of interest, which will be- come due and payable for the year 1841, is - - - - -	
1. Interest on 3 & 4 installment of Surplus	\$114,926 91	Exchange on New York at 3 per cent.	458,471 75
Revenue, - - - - -	48,000 00		13,754 13
2. do on Canal lands, - - - - -	22,000 00		
3. do on Mortgages of L. I. R. Road,	11,000 00		
4. Tolls on Wabash and Erie Canal, -	5,000 00		
5. do on White-water Canal, - - -	2,500 00		
6. do on M. and I. R. Road, - - -	15,000 00		
7. Rents of Water power, - - - - -	5,000 00		
	223,426 91		\$472,225 88
	248,798 97		
	\$472,225 88		

Deficit at the end of 1841 is

Probable amount of receipts in 1841, applicable to the Expenditures of 1842, on the supposition that the poll tax is one dollar and the state tax 40 cts, on the \$100.

RECEIPTS.	DEMANDS ON THE TREASURY FOR 1842.
There will be received from	Estimated amount of Civil List, - - \$95,000 00
64 110,000 polls net amt. -	Amount of public debt and exchange as per
The following property will be subject to taxation, viz:	table No. 5, is - - - 472,225 88
The same property taxed in	
1840, is - - - \$95,691.156	
Lands omitted in 1840, 2,235,-	
906 acres valued at - - 15,763,137	
New lands taxable in 1841, for	
the first time, 3,249,240 acres	
at \$5 per acre, - - - 16,246,000	
Personal property heretofore	
exempted, but to be taxed	
under new law, - - - 5,000,000	
Total value of taxable property	
in 1841, - - - \$132,700,293	
The tax on which at 40 cts. on	
the \$100 valuation is - - 530,801 00	
Deduct 20 per cent. for de-	
linquencies, - - - 106,160 00	
424,631 00	

There will be realized in 1841 as per table, No. 5, from No. 1 to 7 inclusive, - - -	108,500 00	
	633,141 00	
	182,883 85	
Deficit at the end of 1842, -		
	\$816,024 85	\$816,024 85

NOTE.—The deficit of \$182,883 85 at the end of 1842 is caused by carrying the deficit of 1841 into 1842. But as this deficit *must* be met *otherwise* than by taxation, then at the rates of taxation as above, viz: poll tax one dollar, and state tax of 40 cents on each \$100, there will be in the Treasury at the end of 1842, the sum of \$65,915 12.

Showing the condition of the Treasury at the close of 1842, on the supposition that the deficit for Internal Improvements (248,798 97) in 1841, is paid otherwise than by taxation—that the poll tax is \$1 and the State tax 30 cents on each \$100.

RECEIPTS.	EXPENDITURES.
From Polls as per No. 6, - - - \$100,000 00 " Property valued as in No. 6, - - 318,481 00 " Items No. 1 to 7, inclusive, in No. 5, 108,500 00 526,981 00 40,244 88 \$567,225 88	Estimated amount of Civil List, - - \$95,000 00 Amount of interest on public debt, and exchange as per table No. 5, is, - 472,225 88 \$567,225 88
Deficit at the end of 1842, - - -	



REPORT

OF THE

STATE BANK OF INDIANA,

NOVEMBER, 1840.

To the General Assembly:

Since the last annual report, the second instalment due on the State stock and from private Stockholders, has been paid into the Michigan City Branch; the third instalment due from the State has been paid into the South Bend branch, and \$20,000 received on the loan authorized to be made in 1839, has been paid over as additional capital in the Madison branch. Funds have not yet been obtained to organize the 14th, 15th, and 16th, branches, nor to pay the private stock for which mortgages have been executed at the South Bend branch.

The State stock in the bank now amounts to \$1,304,950, derived from the following sources, viz:

Sale of 5 per cent. State bonds,	\$865,000 00
Third instalment Fort Wayne branch from sinking fund,	15,000 00
Fourth instalment of surplus revenue anticipated by issue of 6 per cent. State bonds, and part of third instalment from payments on mortgages,	404,950 00
Part of loan of 1839,	20,000 00
The stock owned by individuals, amounts to	1,366,668 75

Total, exclusive of \$15,000, not yet reported from South Bend, 2,671,618 75

The dividends on the State capital for the year ending November 1, 1840, amount to \$120,404 19; and the surplus fund has, during that time, increased \$34,904. As near one-half of this belongs to the State, the rate of profit for the year has been ten and a half per cent.

The losses of the bank the last year, are estimated at \$50,000, being at least five times the amount of all that had been sustained for the five previous years. The suspended interest on the debt due from the State, and on other suspended accounts, which cannot be added to the profits until actually paid, will about equal the losses.

As near as could be ascertained at the last semi-annual examination, the discounts to different classes of business men were:

To merchants,	- - -	\$1,032,136,
To farmers,	- - -	600,310,
To manufacturers and mechanics,		610,754,
To exporters,	- - -	723,842,
To all others,	- - -	771,376.

The loans to exporters will have been increased near a million of dollars before April; and those to others, merchants especially, a good deal diminished.

The notes and bills under discount amounted to \$6,590,

The discounts to directors amounted to 430,802,

The discounts to other stockholders, to 907,797,

The discounts to persons not stockholders, 2,399,819.

Of the private stock, \$820,500, was owned by persons who borrow nothing or to a less amount than their stock; and \$545,353, by persons who owe the bank more than their stock. In eight of the branches, more than seven-tenths of the private stock is held by persons, who usually borrow nothing or very little; and the discounts to their directors were \$203,108, being \$154,888 less than was due from the directors of the same branches in 1838.

In some other branches, there is more stock held by borrowers than is desirable; yet where there are but few capitalists in a bank district wishing to invest funds in bank stock—where the borrowing stockholders would sell their stock at once, if purchasers of the right kind could be found; and where the business is safely and prudently managed, no interference can be required of the State Board.

There have been almost no difficulties in managing the bank, which have not arisen mainly from the purchase of stock by persons, with the expectation of borrowing money on more favorable terms, than could be allowed to others. As these difficulties have occurred from time to time, such measures have been adopted by the State Board as appeared necessary to correct the evil, and no positive failure to do so, has yet occurred. In regard to these and all other exceptionable proceedings in branches, it is understood by the State Board that they must be corrected; “that the branches which conduct their business properly, must not be endangered by others, and that the whole institution can and must carry with it a good share of favor from the well informed business men of the State.”

The directors and stockholders of the bank, generally make the same payments as other borrowers, and the branches are as desirous of obtaining safe and punctual customers as they can be to receive accommodations. As the directors and principal dealers in bank cannot be permitted to lie under protest even as endorsers, their liabilities for others often make their debts large, when only a small portion was originally obtained for their own use.

During the past year there has been less anxiety than heretofore in the branches to increase their capital, for the demand for loans for actual business and short periods has somewhat decreased. Still, in many parts of the

State, if the bank possessed the ability, more loans might be made, with advantage to all concerned, and probably the capital of most of the branches might be increased with but little diminution of the rate of profits.

Much embarrassment has been felt in several of the branches, from the large advances made for the State in the summer of 1839, with no other expectation than that they should be speedily paid in New York. This sum and interest, which will be on the first of July next, \$692,433, in connection with the \$294,000 of State Bonds, advanced for the fourth instalment of surplus revenue, is for the time being no basis for banking, and is for all practical purposes a withdrawal of an equal amount of the capital of the institution. As the bonds were taken voluntarily, no complaint is made on their account, though none of them have been sold, and the State derives a clear profit of about \$9,000 a year from an operation which is a loss to the bank of at least the amount gained by the State. That the bank may possess the means to keep up and increase its facilities for promoting the great business concerns of the country, it is most respectfully, yet earnestly urged upon the Legislature, that they make early provision to pay the debt due from the State.

The following table shows the highest and lowest discounts and circulation of the bank for the last four years:

1837, highest discounts April 1,	- - - - -	\$4,314,827
" " circulation April 29,	- - - - -	2,615,275
1838, " discounts Jan. 20,	- - - - -	3,596,957
" " circulation Oct. 31,	- - - - -	2,804,468
1839, " discounts March 15,	- - - - -	4,995,382
" " circulation " 30,	- - - - -	3,847,503
1840, " discounts " 31,	- - - - -	4,309,757
" " circulation " 31,	- - - - -	3,279,897
1837, Lowest discounts, October 31,	- - - - -	3,367,267
" " circulation, " 31,	- - - - -	2,205,812
1838 " discounts July 21,	- - - - -	3,182,503
" " circulation January 6,	- - - - -	2,308,130
1839, " discounts October 31,	- - - - -	3,940,382
" " circulation " 31,	- - - - -	2,985,372
1840, " discounts, " 31,	- - - - -	3,617,249
" " circulation, " 31,	- - - - -	2,835,902

Except in the year 1838, when the suspension of specie payments discouraged to a great extent new enterprises, and which accounts for the difference in the business of that year, it appears that the discounts and circulation of the bank are usually considerably larger in the winter and spring, than in the summer and fall. While the produce business of the State maintains its relative importance, and is managed as heretofore, these fluctuations must be expected. If more industry and capital were employed in manufactures, and if it would suit a portion of the farming interest to engage more extensively, at the proper season, in buying and fattening stock and hogs, to pay when exporters want their accommodations, the business of the bank might be nearly uniform throughout the year. Any attempt however, to force a circulation beyond the business wants for a currency, will not be found advantageous to the bank, or the country.

Since October, 1839, most of the banks in the middle, southern and western States, have not paid specie on their notes as usual. A heavy drain of specie from these banks was submitted to for some months, in the hope that

it would cease with the panic which produced it. But when it was feared that some of them might fail, and this would occasion so much alarm as to others, that the demand for specie would continue and increase, it was believed, that suspension for a time was the least of the evils which the banks could make choice of. The most of them by paying out their specie, and forcing collections to the utmost, could have met all demands; but it would have been at the expense of blighting the hopes and blasting the prospects not only of business men generally, but of most of the creditors and debtors of the State.

By Mr. Woodbury's Report of April 9th, 1840, it appears that the circulation of all the banks in the Union, has been as follows, at the times specified:

January 1st, 1835,	-	-	-	-	\$103,692,495.
January 1st, 1836,	-	-	-	-	140,301,038.
January 1st, 1837,	-	-	-	-	149,185,890.
January 1st, 1838,	-	-	-	-	116,138,910.
January 1st, 1839,	-	-	-	-	135,170,995.
January 1st, 1840,	-	-	-	-	106,968,572.

The great reduction of circulation in 1838 and 1840, must have been much greater in each case, but for the suspension, which still left a currency not in general five per cent. below specie. With this, much of the debt of the country has been paid, often, no doubt, at considerable sacrifices; yet still insignificant to what they must have been, had no suspension taken place.

The circulation of the State Bank of Indiana, has varied more in reference to the business demands of the country, than from any other cause, and yet the baneful influences of the fluctuations in other States, have been severely felt here.

It is understood that specie payments will be resumed at an early day, and may it not be hoped that general confidence will be restored—that enterprise and industry will again seek their appropriate rewards, and that years of steady improvement and increasing prosperity, may follow the severe lessons which should not have been given in vain.

There has been no opportunity for selling State Bonds for bank capital during the past year, and the last legislature having given the care of the bank loan of 1839, to the Fund Commissioners, that subject will have been properly noticed in their report. The annexed tables show the state and condition of the Bank at the time specified in the Charter.

Respectfully submitted,

S. MERRILL,

State Bank, December 8, 1840.

STATEMENT

Of the condition of the State Bank of Indiana on October 31, 1840.

RESOURCES.

Discounted notes,	-	-	-	\$2,912,619	42
Bills,	-	-	-	704,629	12
Branch balances,	-	-	-	71,766	41
Balances due from other banks,	-	-	-	335,505	68
Banking house, furniture, &c.	-	-	-	204,805	77
Due from the State of Indiana, for deferred payment of advances for public works.				646,284	49
Indiana bonds taken for fourth instalment,				294,000	00
Remittances and other items,	-	-	-	86,153	98
Notes of other Banks,	-	-	-	195,724	00
Specie,	-	-	-	1,092,963	72

\$6,544,452 59

LIABILITIES.

Notes in circulation,	-	-	-	\$2,835,902	00
Branch balances,	-	-	-	73,998	00
Balances due to other banks,	-	-	-	154,423	69
School tax,	-	-	-	3,605	13
Dividends not called for,	-	-	-	6,815	10
Sinking fund and other items,	-	-	-	79,227	07
Balance due individual depositors,	-	-	-	309,248	61

\$3,463,219 60

Leaving the amount of resources of the bank, over and above all liabilities other than to the stockholders,				\$3,081,232	99
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\$6,544,452 59

The excess above stated of the means of the bank, beyond her liabilities, is distributable as follows.

To the State of Indiana, for stock under the charter,	880,000	00
To the State of Indiana, from loans of 1839,	20,000	00
To the State of Indiana, for stock from the surplus revenue,	404,950	00

1,304,950 00

To individual stockholders,	1,365,883	13
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\$2,670,803 13

Total capital,	\$275,839	43
Amount in surplus fund,	134,590	43
Profits of last six months,		

Total profits undivided, \$410,429 86

Total excess, 3,081,232 99

The circulation of the bank on October 31, 1839, was,	\$2,965,371 00
The circulation of the bank on October 31, 1840, was,	2,835,902 00
Showing a less amount than this time last year by	\$129,469 00
The specie in the bank on October 31, 1840, was,	1,092,963 72
The specie in the bank on October 31, 1839, was,	1,021,490 18
Showing a larger amount than at this time last year by	\$71,473 54
JAMES M. RAY,	
<i>Cashier</i>	

REPORT

OF THE

SINKING FUND COMMISSIONERS,

TO THE GENERAL ASSEMBLY.

SAMUEL JUDAH, Esq.

Speaker of the House of Representatives:

The Sinking Fund Commissioners report their means and liabilities as follows:

MEANS, EXPENSES, &c.

Stock Loans	Indianapolis	branch,	31,053	25	
"	"	Lawrenceburgh,	"	36,213	35
"	"	Richmond,	"	9,080	37
"	"	Madison,	"	33,854	76
"	"	Evansville,	"	16,571	19
"	"	Vincennes,	"	9,081	80
"	"	Bedford,	"	18,202	15
"	"	Terre-Haute,	"	17,123	35
"	"	Lafayette,	"	21,573	55
"	"	Fort Wayne,	"	32,183	26
					224,937 03
Bank Stock,					880,000
Current Loans of Sinking Fund,					633,662 75
Cash balances					" "

Indianapolis branch,	2,541	56	
Lawrenceburgh, "	1,698	83	
New Albany, "	9	70	
Vincennes, "	45		
Lafayette, "	406	38	
South Bend, "	44	62	
Michigan City, "	369	68	
S. Merrill, Pr.	48	75	
R. Morrison, Com'r,	1,119	78	
G. P. Buell,	70		
Principal repaid, &c.	9,347	25	15,701 55

Total of means from the loans made under the charter,	1,754,301	33
Bank Stock from Sur. Rev.	419,950	
Surplus Fund, from Sur. Rev.	30,479	51
Loans on Sur. Rev. Mortgages,	124,718	97
Principal repaid, &c.	4,322	92
Bank Stock from loan of 1839,	20,000	

Total, - - - - -	\$2,353,772	73
Expenses of making Loans,	4,799	14
" transportation of specie,	2,100	69
Current expenses Sinking Fund,	8,415	60
Interest on State Bonds,	369,009	13
Commission on payment of Interest,	173	75
Interest and premium,	14,065	16
Current expenses Surplus Revenue,	3,628	85
Transportation of specie,	1,031	28
Payments to Canal Fund Commissioners,	137,346	02
Interest and premium on Loans of 1839,	639	11
	\$2,894,981	46

LIABILITIES, RECEIPTS, &c.

State Bonds for Bank,	1,390,000	
U. S. Surplus Revenue from Treasurer of Indiana,	573,660	11
Part of Loan of 1839,	20,000	
Premium on State Bonds,	29,496	92
Bank Stock Dividends,	497,710	96
Interest on Stock Loans,	66,995	93
" on Current Loans,	140,807	96
Dividends on Surplus Revenue Bank Stock,	80,832	90
Interest from Surplus Revenue Loans,	93,284	78
Dividend on Stock of 1839,	966	66
Blank Mortgages,	116	67
Damages,		65
Cash balances,		
Commissioners Canal Fund,	28	92
Richmond branch,	12	67
Bedford "	994	15
Madison "	7	83
	1,043	57

\$2,894,981 46

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Indianapolis branch,	2,541 56	
Lawrenceburgh, "	1,698 83	
New Albany, "	9 70	
Vincennes, "	45	
Lafayette, "	406 38	
South Bend, "	44 62	
Michigan City, "	369 68	
S. Merrill, Pr.	48 75	
R. Morrison, Com'r,	1,119 78	
G. P. Buell,	70	
Principal repaid, &c.	9,347 25	15,701 55

Total of means from the loans made under the charter,	1,754,301 33
Bank Stock from Sur. Rev.	419,950
Surplus Fund, from Sur. Rev.	30,479 51
Loans on Sur. Rev. Mortgages,	124,718 97
Principal repaid, &c.	4,322 92
Bank Stock from loan of 1839,	20,000

Total, - - - - -	\$2,353,772 73
Expenses of making Loans,	4,799 14
" transportation of specie,	2,100 69
Current expenses Sinking Fund,	8,415 60
Interest on State Bonds,	369,009 13
Commission on payment of Interest,	173 75
Interest and premium,	14,065 16
Current expenses Surplus Revenue,	3,628 85
Transportation of specie,	1,031 28
Payments to Canal Fund Commissioners,	137,346 02
Interest and premium on Loans of 1839,	639 11

\$2,894,981 46

LIABILITIES, RECEIPTS, &c.

State Bonds for Bank,	1,390,000
U. S. Surplus Revenue from Treasurer of Indiana,	573,660 11
Part of Loan of 1839,	20,000
Premium on State Bonds,	29,496 92
Bank Stock Dividends,	497,710 96
Interest on Stock Loans,	66,995 93
" on Current Loans,	140,807 93
Dividends on Surplus Revenue Bank Stock,	80,832 90
Interest from Surplus Revenue Loans,	93,284 78
Dividend on Stock of 1839,	966 66
Blank Mortgages,	116 67
Damages,	65
Cash balances,	
Commissioners Canal Fund,	28 92
Richmond branch,	12 67
Bedford "	994 15
Madison "	7 83
	1,043 57

\$2,894,981 46

STATEMENT of the business of each Branch of the State Bank of Indiana, at 2 o'clock, P. M., Saturday, November 21, 1879.

RESOURCES.

BRANCH.	Bills Discounted.	Bills of Exchange.	Branch Balances.	Other Bank Balances.	Banking Houses.	Other Real Estate.	Furniture.	State by Fund Commission-ers.	Remittances Interest & other cash items.	Notes of other Branches.	Notes of other Banks.	State Bonds.	Specie.
Indianapolis, ...	208,139 01	153,965 26	3,351 42	47,449 27	31,129 33		899 70	87,868 50	7,089 25	10,202	4,785 00	39,000 00	88,599 52
Lawrenceburgh, ...	298,906 18	101,066 69	4,369 25	16,394 21	11,087 58	3,016 76	761 65	52,315 59	2,699 79		10,745 00	52,000 00	78,543 06
Richmond, ...	207,245 45	61,062 82	5,990 03	15,309 74	5,102 70	3,200 00	288 16	16,393 85	101 50	35,176	17,485 00	39,000 00	94,038 58
Madison, ...	285,422 32	137,792 38	1,097 08	60,078 15	10,456 47		599 24	28,741 62	18,225 00	3,000	12,570 55	38,000 00	89,699 59
New Albany, ...	189,780 38	62,916 16	2,652 04	17,834 44	34,443 05			53,171 13	111 32	14,159	10,056 00	29,000 00	70,652 13
Evansville, ...	164,041 56	36,628 13	2,392 82	880 55	29,862 42			101,724 65	198 00	8,476	1,970 00	19,000 00	61,636 68
Vincennes, ...	225,185 50	23,990 02	1,397 52	4,077 37	22,050 80		829 06	38,135 51		16,880	26,525 00		87,080 37
Bedford, ...	176,128 20	94,815 18	1,102 10	16,956 60	3,414 68	1,300 00	141 70	21,564 08	235 63	17,648	10,297 00		75,375 51
Terre-Haute, ...	190,262 87	32,405 85	1,861 95	53,348 81	13,460 73		656 25	29,696 75	15,815 07	9,181	17,400 00	58,000 00	130,509 79
Lafayette, ...	302,897 14	33,031 51	426 74	20,501 38	14,200 35	9,551 91	615 34	152,563 87	19,770 80	7,611	20,125 00		63,943 57
Fort Wayne, ...	273,234 59	12,237 85	964 35	35,315 48	17,364 85	2,611 25	620 88	52,238 25	9,012 01	700	26,223 00		81,908 09
South Bend, ...	174,714 60	37,102 30		13,667 66	3,424 72	5,000 00	501 21		2,790 17	1,942	5,539 00	10,000 00	69,196 53
Michigan City, ...	151,591 68	55,032 04	6,872 23	3,333 01	2,952 80		620 20		588 06	40,549	2,531 00	10,000 00	85,368 52
	\$2,847,549 48	842,046 19	32,477 53	305,146 67	198,950 48	24,679 92	6,533 39	634,413 80	76,636 60	165,524	166,251 55	294,000 00	1,076,551 94

LIABILITIES.

BRANCH.	Capital, State.	Stock, Individual.	Notes in Circulation.	Branch Balances.	Other Bank Balances.	Dividend not drawn.	Tax for School pur-poses.	Surplus Fund.	Sinking Fund and other cash items.	Individual Deposites.	Profit and loss.
Indianapolis, ...	125,300 00	170,000 00	291,649 00	2,554 95	1,648 78	4,705 82	850 00	22,327 33	17,153 12	42,725 94	3,563 32
Lawrenceburgh, ...	112,000 00	170,000 00	233,719 00		34,970 51	3,259 48	850 00	46,430 37	10,859 70	18,826 69	990 31
Richmond, ...	106,000 00	113,150 00	231,485 00		1,982 64	3,429 31	625 00	19,802 92	2,241 08	20,595 20	1,082 68
Madison, ...	147,150 00	171,000 00	233,535 00	7,580 26	47,213 80	1,564 94	855 00	26,555 80	8,889 93	38,289 52	3,048 15
New Albany, ...	112,000 00	87,100 00	165,647 00	1,381 09	36,356 45	3,262 69	435 50	37,718 31	24,310 26	15,509 43	1,054 92
Evansville, ...	105,650 00	84,950 00	179,831 00	229 39	12,291 31	2,414 25	424 75	13,279 84	8,768 06	18,566 39	405 82
Vincennes, ...	80,000 00	83,750 00	240,635 00	3,459 43	3,542 36	2,489 96	400 00	17,359 25	2,189 13	11,400 14	925 88
Bedford, ...	87,150 00	87,150 00	202,305 00	213 63	1,852 21	2,194 31	435 75	13,555 04	7,657 48	14,586 17	1,879 09
Terre Haute, ...	113,650 00	92,350 00	261,253 00	6,331 55	5,261 56	2,030 87	461 63	30,554 85	6,899 34	32,963 25	843 02
Lafayette, ...	111,050 00	135,500 00	305,938 00	3,746 83	1,227 16	4,669 23	674 88	23,637 20	24,405 52	33,977 38	412 41
Fort Wayne, ...	80,000 00	80,000 00	286,074 00	369 92	150 00	2,608 14	400 00	27,172 59	9,436 27	25,754 89	464 79
South Bend, ...	65,000 00	31,718 75	189,296 00	8,179 19	470 31	1,041 85	400 00	9,936 85	2,236 79	15,455 69	142 76
Michigan City, ...	60,000 00	60,000 00	209,725 00	369 85	1,862 65	1,134 88	400 00	8,441 05	7,913 22	9,122 17	469 72
	1,304,950 00	1,366,668 75	3,031,092 00	34,416 09	148,829 74	34,805 73	7,212 51	296,771 10	132,959 90	297,772 86	15,282 87

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From the foregoing table it will be seen that the State of Indiana is the owner of the following items:

Bank Stock,	-	-	-	-	\$1,319,950
Estimated value of the State's share of the surplus fund in the Bank, allowing \$90,000 for bad debts,	-	-	-	-	100,000
Stock loans, all secure,	-	-	-	-	224,937 03
Current loans of Sinking Fund and Sur. Rev. on which the interest unpaid will guaranty all losses of principal,	-	-	-	-	758,381 72
Cash on hand or in Mortgages not yet reported,	-	-	-	-	20,024 47
Total,					\$2,423,293 22
Payments to the Canal Fund Commissioners,	-	-	-	-	137,346 02
					\$2,560,639 24

The means from which the above has been realized are State Bonds under the Charter,

	\$1,390,000	
Two instalments of Surplus Revenue from Treasurer of State,	-	573,660 11
Part of loan of 1839,	-	20,000
		1,983,660 11

So that the State has actually realized from the Bank \$576,979 13 while only State Bonds, and one instalment of Surplus Revenue have been advanced.

On the 23d of May last, the lands of fifty-six borrowers were exposed to sale for non-payment of interest. In seven of the cases sales were made; in the others, the lands were struck off to the State for want of bidders. Eight of the tracts not sold, have since been redeemed. There are still unredeemed, nine tracts in each of the counties of Marshall, Warren and Tippecanoe—two in each of the counties of Cass, Marion and Ripley—and one in each of the counties of Laporte, White, Shelby, Daviess, Carroll, Hamilton, Montgomery and Hendricks. Most of these mortgaged premises have either been personally examined, or such enquiries have been made respecting them as to give assurance that the money will be eventually secure. Where the mortgagors are solvent, recourse will be had to their Bonds, and in this way several of the loans can be collected without waiting for a sale of the lands. By a false certificate of Jeremiah Muncy, late clerk of Marshall county, his mortgage was taken for \$500, while there was a lien on the land mortgaged. This lien has been removed at the expense of \$250, but the land is so valuable, that very little if any loss will be sustained. It is understood that two tracts in Warren county, and one in Clay, were appraised so much above their real value that they are not a sufficient security for the sums loaned. Only one of them has yet been offered for sale and struck off to the State, and this has two obligors in the bond, one of whom is solvent.

From the best information which the Commissioners of the Sinking Fund can obtain, there will not be any considerable losses. The loans of the year 1835, are now being generally renewed by the payment of one fifth of

the principal, which, with the funds coming from other sources, will be loaned in those parts of the State which have not heretofore been accommodated.

The Surplus Revenue loans have been called in as opportunities offered, and the avails vested in Bank stock.

S. MERRILL,	}	<i>President and Commissioners of the Sinking Fund.</i>
R. MORRISON,		
C. FLETCHER,		
G. P. BUELL,		
J. WALKER.		

Sinking Fund Office, Dec. 12, 1840.

REPORT

OF THE

SECRETARY OF STATE,

TO THE GENERAL ASSEMBLY.

INDIANAPOLIS, *December 11, 1840.*

SAMUEL JUDAH, Esq.

Speaker of the House of Representatives:

SIR—

In answer to a resolution of the House, requiring me to report the amount of my salary, &c. I hasten to submit the following statement. The salary fixed by law under the act regulating the duties of Secretary of State, is placed at \$600 00

(See Revised Code 1838, page 557.)

Under a Joint Resolution of 17th February 1838, the Secretary for his duties as State Librarian and services rendered in relation to Wabash and Erie Canal and other services, is allowed \$450 00

[See Local acts of 1838, page 442.]

Clerk hire to the amount of \$200 00
is allowed under the provision of an act to amend the several acts now in force, relative to the Wabash and Erie Canal lands, approved February 16, 1839.

This makes the total amount of permanent pay allowed under law, amounting to the sum of

\$1250 00

It is impossible for me to give any correct estimate of the perquisites arising from the performance of various duties. In the last year I have issued sixty Michigan Road patents, for which I have received thirty dollars. Twenty eight Canal land patents have been issued, amounting to twenty eight dollars. Of this last amount I have received four dollars, the other patents have not been called for, and will not probably be for years to come. I am allowed twelve and a half cents per hundred words for copies of laws, &c. I have kept no memorandum of this amount. In many instances, the fees were paid at the time the services were rendered, and of course not charged. I find that, during last year I charged on my books for such services \$42 50, about one half of which has not been paid, and probably never will be; this service may safely be set down as not exceeding in any one year \$75 00.

I am allowed fifty cents for each certificate and seal, for these services no charge on paper has been made, but they cannot I am satisfied ever reach more than fifty dollars per annum, so that these fees and perquisites during the last year have been about \$1,400. After deducting Clerk hire which is absolutely necessary from the commencement of the session of the Legislature until the printing and indexing the Laws and Journals are completed, say about 1st May, not more than \$1,200, under any circumstances can be realized by the Secretary. The foregoing statement contains, as far as I am able to furnish, the information required by the House.

I am respectfully, &c.

WM. J. BROWN,

Secretary of State.

REPORT

OF THE

TREASURER OF STATE,

TO THE GENERAL ASSEMBLY.

TREASURER'S OFFICE,
Indianapolis, Dec. 14, 1840. }

HON. S. JUDAH,

Speaker of the House of Representatives:

In obedience to a resolution of the House of Representatives of the 10th inst. in relation to salary and fees of the Treasurer of State and others, the undersigned herewith communicates the following statement of the several items of allowance to the Treasurer of State, for the past year, viz:

Salary as Treasurer of State,	\$400 00
“ as Superintendent of the State House,	150 00
“ as Superintendent Loan office,	75 00
“ as Agent of the three per cent. fund,	100 00
Three fourths of one per cent. on outstanding loans in the several departments of the Loan office,	792 92
	\$1,517 92

There are no fees charged for any services in this office. All the patents of College Lands, Saline Lands, &c. are made without charge.

Very respectfully, your obedient servant,

N. B. PALMER,

Treasurer of State.

P. S. It is proper to say, that under the act of 1837, in relation to the Surplus Revenue, the Treasurer was authorised to expend \$500 per annum for clerk hire, but this amount is \$300 less than the Treasurer has actually paid out per annum, the balance being paid out of the private funds of the Treasurer.

REPORT

OF THE

AUDITOR OF STATE,

TO THE GENERAL ASSEMBLY.

AUDITOR'S OFFICE,
December 14, 1840.}

HON. S. JUDAH,

Speaker of the House of Representatives:

SIR—

In obedience to a resolution of the House of Representatives, requiring the Secretary and Treasurer of State, and Auditor of Public Accounts to report the amount of their salaries and perquisites of office for the past year, the Auditor has the honor to submit the following statement as regards his own compensation, viz:

The stated salary of the Auditor per annum is,	\$400
[See Revised Code 1838, page 90.]	
For his services in keeping the like books of accounts, Tract books, Maps, &c. as those kept by the Canal Land Commissioner, including the separate account of each individual purchaser of Canal Lands for annual payment of principal and interest on each tract sold, as a check upon that officer,	\$100 00
[See Acts of 1830, page 16.]	
For keeping accounts with Fund Commissioners as checks upon those officers,	50 00
(See Acts of 1835, page 30.)	

For his services in keeping books of accounts against the Board of Internal Improvement, against each member of the Board, and the cost of each work, such sum as is allowed annually to the Clerk of the Fund Commissioners, which for the last year amounted to

750 00

The Auditor under the acts providing for the sale of lots in Indianapolis, is entitled to one half of one per cent. on all moneys paid into the Treasury by purchasers of lots, for his services in keeping the accounts against the Agent of Indianapolis, which, during the last year amounted to
[See Acts of 1831, page 69.]

14 35

It is made the duty of the Auditor to procure from the respective Land offices, the lists of lands taxable for the first time for each year. For this service he has himself received nothing, having uniformly given the same amount for copying for the respective counties, as was charged at the Land offices. This course having been pursued by his predecessor.

[See Revised Code of 1838, page 90. Also acts of 1831, page 175.]

Respectfully submitted,

M. MORRIS, *Auditor Public Accounts.*

REPORT

OF THE

SECRETARY OF STATE,

RELATIVE TO THE ENUMERATION OF WHITE MALE INHAB-
ITANTS OVER THE AGE OF TWENTY ONE YEARS.

INDIANAPOLIS, Dec. 14, 1840.

SAMUEL JUDAH, Esq.

Speaker of the House of Representatives:

SIR—

Enclosed is the report required to be made on this day, under the provisions of an act entitled "An Act to provide for taking the enumeration of the white male inhabitants above the age of twenty one years in this State. Approved February 7th, 1840," which you will please lay before the House over which you preside. I have waited until the last moment in hopes of being able to receive further returns.

I am respectfully, &c.

WM. J. BROWN,

Secretary of State.

An enumeration of all the persons charged with a poll tax; those exempt from the payment of a poll tax by law; insane male persons and paupers over twenty one years of age. Together with a list of persons returned by the Collectors under the provisions of an act, entitled "An Act to provide for taking the enumeration of the white male inhabitants above the age of twenty one years in this State." Approved February 7th, 1840.

COUNTIES.	No. of polls re- turned.	Total.	REMARKS.
Allen - - -	1329	1329	No return by Clerk to Sec.
Adams - - -	365	492	
Bartholomew - - -	1379	1379	No return from the Clerk.
Boone - - -	1176	1640	
Brown - - -	305	339	
Blackford - - -	218	246	
Benton - - -	63	63	No return from the Clerk.
Clark - - -	1945	2036	
Clay - - -	825	1023	
Crawford - - -	590	796	
Carroll - - -	1176	1579	
Cass - - -	1002	1109	
Clinton - - -	1138	1138	No return from the Clerk.
Dearborn - - -	3000	3376	
Decatur - - -	1557	1932	
Daviess - - -	1086	1439	
Dubois - - -	592	702	
Delaware - - -	1322	1692	
De Kalb - - -	347	347	No return from the Clerk.
Elkhart - - -	1116	1225	
Fayette - - -	1553	2058	
Floyd - - -	1485	1485	No return from the Clerk.
Franklin - - -	1928	2467	
Fountain - - -	1755	1755	No return to Sec. by Clerk.
Fulton - - -	356	400	
Gibson - - -	1366	1610	
Greene - - -	1112	1427	
Grant - - -	805	1009	
Hamilton - - -	1477	1706	
Harrison - - -	1829	2425	
Hendricks - - -	1567	2076	
Henry - - -	1959	2403	
Hancock - - -	1113	1323	
Huntington - - -	303	308	
Jackson - - -	1226	1580	
Jefferson - - -	2382	3175	
Jennings - - -	1194	1384	
Johnson - - -	1407	1709	
Jay - - -	601	731	
Jasper - - -	138	200	
Knox - - -	1557	1831	
Kosciusko - - -	658	777	
Lawrence - - -	1558	2189	

La Grange	-	-	647	647
Laporte	-	-	1470	2103
Lake	-	-	278	357
Madison	-	-	1349	1349
Marion	-	-	2403	2403
Martin	-	-	566	715
Monroe	-	-	1360	1788
Montgomery	-	-	2257	2856
Morgan	-	-	1584	1871
Miami	-	-	465	604
Marshall	-	-	290	366
Noble	-	-	580	611
Orange	-	-	1404	1404
Owen	-	-	1019	1328
Parke	-	-	1838	2505
Perry	-	-	686	872
Pike	-	-	748	897
Posey	-	-	1513	1513
Putnam	-	-	2193	2706
Porter	-	-	410	587
Pulaski	-	-	113	113
Randolph	-	-	1437	1807
Ripley	-	-	1427	1696
Rush	-	-	2269	2799
Scott	-	-	662	861
Shelby	-	-	1756	2178
Spencer	-	-	939	939
Sullivan	-	-	1159	1159
Switzerland	-	-	1458	1458
St. Joseph	-	-	1089	1089
Steuben	-	-	459	459
Tippecanoe	-	-	2340	2878
Union	-	-	1101	1558
Vanderburgh	-	-	1166	1666
Vermillion	-	-	1338	1649
Vigo	-	-	1902	1902
Warrick	-	-	876	994
Washington	-	-	2051	2694
Wayne	-	-	3363	3363
Warren	-	-	921	921
White	-	-	292	385
Wabash	-	-	488	550
Wells	-	-	366	366
Whitley	-	-	200	353

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return to Sec. by Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

No return from the Clerk.

Whole amount,

119,974



REPORT

OF THE

AUDITOR OF STATE,

IN RELATION TO BALANCES AGAINST COLLECTORS.

AUDITOR'S OFFICE,
December 23, 1840.

In obedience to a resolution of the House of Representatives, the Auditor herewith submits the following list of balances against Collectors since the adoption of the present mode of levying and collecting the taxes.

NAME OF COUNTY.		1837. \$ cts.	1838. \$ cts.	1839 \$ cts.
1.	Collector of Vanderburgh - - -	9 29		
2.	" of Spencer - - -	501 48		
3.	" of Vigo - - -		3 42	
4.	" of Fulton - - -		16 35	
5.	" of Porter - - -		88 62	
6.	" of Posey - - -			762 71
7.	" of La Grange - - -			8 79
8.	" of Dearborn - - -			100 07
9.	" of Cass - - -			937 07
10.	" of Sullivan - - -			826 67
11.	" of Daviess - - -			108 18
12.	" of Fayette - - -			773 02
13.	" of St. Joseph - - -			80 89
14.	County of Dubois, no Assess. for 1839.			
		510 77	108 39	3,597 40

But two of these have refused to assess and collect the amount prescribed by law, for State purposes, viz: Spencer in 1837, and Cass in 1839. The cause assigned by each was, that the law raising the per centum for State purposes, had not reached them in time. I would suggest, that these counties be allowed by special act, to assess and collect in the year 1841, the balances with which they stand charged. The other counties named in this list have discharged their duty, but the Collectors have failed to pay over, on most of them suit has been instituted.

In the case of the Collector of St. Joseph, his delinquency is caused by a refusal of the Branch Bank at South Bend to pay more tax, than is levied on other property including the twenty five cents on each \$100, set a part and by them paid for school purposes as prescribed by the Bank charter. The Banks contend that it is not in the power of the Legislature to tax them a greater amount than this. You are respectfully referred to the first section of the act pointing out the mode of levying the taxes, approved February 15, 1839, [Laws of 1839, page 19.] for the view entertained of this provision of the Bank charter in 1839. If the view of the present General Assembly be the same, there is no way left but to decide the question by the Supreme Court: in the mean time, Collectors must suffer injury, unless indemnified by the Banks as in the case of the Collector of St. Joseph. Some of the Banks have paid this tax, others though assessed against them, have applied to the Boards doing county business, and they have uniformly directed their Clerk to certify such excess as an illegal assessment, and the payment was thus evaded.

This subject it is to be hoped, will be settled by the present Legislature. It is suggested that it would save the State nine per cent. on the amount of tax on Bank stock, and the counties six, if some arrangement were adopted by special act, by which the taxes on Bank stock should be paid direct by the Cashier into the respective Treasuries to which it belongs. Such an arrangement it is understood, is favored by the officers of the different Branch Banks.

Respectfully submitted,
M. MORRIS, *Auditor Public Accounts.*

REPORT

OF THE

BOARD OF INTERNAL IMPROVEMENTS,

TO THE GENERAL ASSEMBLY.

OFFICE OF STATE BOARD, }
December 24, 1840. }

HON. S. JUDAH,

Speaker of the House of Representatives:

The resolution of the House was left with the Board on Wednesday, and I have the honor, now to comply with the call, by sending a copy of the Report of the Superintendant of the New Albany and Vincennes Road, the original of which was not received by the Board until their Annual Report was prepared for the press.

Respectfully,

N. NOBLE.

*Report of the Superintendent of the New Albany and Vincennes
McAdamized Road, to the Board of Internal Improvements.*

GENTLEMEN—

Acting under and by virtue of an act of the General Assembly of the State of Indiana, approved February 20, 1840, appointing me the Superintendent of the New Albany and Vincennes McAdamized Road, I beg leave to submit for your consideration the following Report, to-wit: As soon after the first of April last past as practicable, rakers were appointed to superintend the road east of Paoli, to each of whom was assigned a distance of eight miles: they have since been reduced to three in number, and changed occasionally from point to point along the road, as their services are required. The services of rakers are absolutely indispensable upon a road of this kind, until the metal becomes consolidated, which is not yet the case upon this, except in a few places. When I took charge of the Road, I found a part of it unfinished, to-wit: a part of section 31, at Honey creek, requiring 1236 cubic yards of embankment; 55½ rods of metalling, and 26 cubic yards of masonry to be laid in the parapets and wing walls of the bridge over said Creek, to complete the work of said section, together, with which work the refilling of the embankments on some of the sections, was necessary, in consequence of washes occasioned by a heavy freshet in the early part of the spring, all of which work it was necessary to have finished before toll could be demanded on the road. The second section of the act authorizing me to assume the superintendence of the Road, requires that the Road should be so managed as to secure to the State the greatest amount of toll, and exercise such supervisory powers over that portion of said Road west of Paoli, as to prevent dilapidation and waste. It can be seen by a reference to said act, that no provision was made to carry the intention of the Legislature into effect; and the only alternative left for me was to pledge the tolls or proceeds of the Road, when finished, for the work which had to be done before toll could be demanded, which I accordingly did.

A letting of the toll-houses and gates, together with the necessary repairs, was advertised the 12th day of April, and the letting took place May 15th, 1840. In the interval between the advertisement and letting, plans and specifications of the houses and gates, as also specifications of the repairs, were made out and exhibited on the day of sale. A copy of the advertisement is herewith transmitted, also a manuscript copy of the bids received. The bids for the toll-houses and gates were too high to be received, except one for the house and gate at Blue river, which was received, and the persons to whom the contract was assigned were immediately informed by letter of that fact, to which they made no reply, and the time for completing the work having elapsed, or nearly so, the house and gate were given out at private letting, at the sum of six hundred and twenty five dollars for the whole when completed in accordance with the plans and specifications. All the work which was advertised to be let on the 15th day of May, was given to the lowest bidder, except the houses and gates, as will be seen by a reference to the Tabular Statement of contracts hereto annexed. The specifications for the houses and gates not being printed, were as follows, to-wit: The toll-house to be 31 by 17 feet from out to out, two rooms of equal size, three plain pannel doors, five 15 light windows of 8 by 10 glass, three of said windows to be in the front room. The side of the porch to be

on the side of the road, or 15 feet from the centre of the road-way. The building placed with the end to the road, serves as a fence on the one side. The sills of the house are to be 7 by 9 inches, (of oak) the plates are 4 by 6 inches of oak, the studding 4 by 4 inches, and the braces 3 by 5 inches all of oak; the studding to be placed not more than two feet apart, from centre to centre. The rafters 3 by 3 and 3 by 5 inches of poplar, and to be placed not more than two feet apart from centre to centre. The house to be one story, eight feet high in the clear, the upper tier of joists are to be 2 by 9 inches, and not more than 20 inches apart from centre to centre, all of oak. The lower tier of joists to be 2½ by 10 inches, and not to exceed 15 inches apart. The floor to be of oak boards and not more than six inches wide, and 1½ inches thick; the weather boards to be poplar or pine, and not to exceed six inches in width, and ½ of an inch thick, to lap 1½ inches, and to be dressed in a workmanlike manner. The porch floor to be laid upon joists the same as house floor, to be tongued and grooved, also to have hand and foot rails and ballusters. Porch roof and also roof of house to be of pine or poplar shingles, not more than 4½ inches to the weather. The windows to be well painted and glazed, the doors to have good latches and bolts, to be hung on substantial butt hinges—the windows neatly fitted in, and properly fastened in with beads. Mantle pieces plain—one cupboard in each room, well shelved, and to have each plain pannel doors, well fitted and hung. Sheeting to be of beech or oak. Each door and window is to be cased with single architrave 4½ inches wide, with a good band moulding 1½ inches wide, each is to have plain base and sunbase to be lathed and plastered with two coats, and a finishing or scum coat. No upper floor. The chimney to be of brick or stone. The whole of the wood work to be painted inside and outside with two coats of white lead well laid on. All of which work to be done in a substantial manner and of good materials. A crane to be placed in one fire place.

The gates are to be as follows, to-wit: 16 feet wide between the posts, each half to be eight feet wide, the butt post of each, and also the post of each half gate, where they unite, will be 4 by 4 inches—the horizontal pieces 2½ by 4 inches, and the brace the same size, all of oak—the upright pieces are morticed through the braces and horizontal pieces, and may be of pine 2½ by 1 inch. The hinges are to be 2½ feet long of iron 2½ by ½ of an inch thick, fastened to the bars by iron bolts, four in each hinge. The gates are hung to the posts by hooks passing diagonally through the main posts, which is held in its place by a nut and washer. The main posts to be 12 inches square of oak, dressed, boxed and finished as represented on the diagram, all to be painted with two coats of white lead. The turnstyle to be a cross on a post, each bar of the cross to be three feet long, or 18 inches from the centre to the point; the post to be three feet above ground. After the gate is shut, a bolt is to shoot into a staple in a block inserted in the road, and a clasp and staple to be placed on one gate, and a staple on the other, so that the gate can be locked. The gate to be 6½ feet high. The gate posts to be sunk four feet in the ground.

Failing to effect a letting of the houses on the 15th day of May, as hereinbefore stated, the bidders present were informed that they would be given at private contract to the lowest bidder. Accordingly, about the last of May, four of the houses and gates were let in contract to Jonathan Braxton, at the sum of six hundred and twenty five dollars each, when finished, to be paid out of the tolls or proceeds of the road, as soon as the same could be done from said source. One of the houses was let to Samuel

Stalcup, at Mr. Braxton's bid; also the persons to whom the house and gate at Blue River was assigned, failing to comply with the specifications in the prosecution of their work, the same was offered at private letting, and finally was taken by Mr. Braxton at the price hereinbefore stated for each of the other houses and gates. So much time elapsed before contracts for the houses could be made, that great delay in completing them was inevitable. The difficulty of procuring lumber of a suitable quality, and in sufficient quantities, was an additional cause of delay in the completion of the houses and gates. The country through which the road passes for a considerable portion of the distance, is of so little value, that the owners of the soil do not enclose it, consequently in selecting locations it was necessary to select points on the road which the travel could not conveniently avoid passing; in doing which the distances between the gates had of necessity to be irregular. There are six gates between New Albany and Paoli, a distance of forty one miles, placed at the following distances from New Albany, to-wit: One at Leyden's, a distance of about two miles, immediately at the foot of the knobs; one at Newby's, a distance of about eleven miles, and near to the east side of Greenville; one at Blue River in Fredericksburg, between which last named points, the country is very poor, and the lands generally unenclosed; the gate at Fredericksburg being about 23 miles from New Albany; one gate in Fayetteville, a distance of about 27 miles; one at or near Hallowell's, a distance of about 35 miles, and one at Paoli, a distance of nearly 41 miles. The erection of an additional house and gate between Greenville and Blue River, appears to be required, since the receiving of toll has been commenced. The law under which I am acting on said road, requires me to make an annual report the first of October, but on account of the houses and gates not being finished at that time, and no toll having been received, it was deemed advisable to delay the report until the proceeds of the road for one month could be known, which was accordingly done. The gates were closed the 10th day of October, and on the 10th day of November a settlement was had with the gate keepers, which shows the amount received during the month to be six hundred and fifty seven dollars and ninety eight and a half cents; to which, add the amount to be received from the New Albany and Vincennes Mail Stage, to-wit: \$605 90 per annum, or \$151 47½ per quarter, to be paid at the expiration of the quarter, and the annual amount of toll would be \$8,501 72. Owing to an apparent imperfection in the law regulating the tolls on said road, a considerable amount of travel escapes paying for the full use of the road. The act says, that the rates of toll shall be so much for every ten miles of travel, and in the same proportion for a greater or less distance.

Now it would seem advisable that the law should be made to read thus: The following rates of toll shall be demanded for each and every ten miles of travel, and in the same proportion for a greater or less distance *between the gates*. Also persons having to pass a gate frequently, should have the privilege of commuting for the use of the road under the immediate direction of said particular gate-keeper: Also, a fine should be imposed for refusing to pay the legal toll; also, a fine should be incurred for avoiding or eluding the gate, after having used the road; which fines should be made recoverable before acting Magistrates, or suits commenced by the gate keepers, or the Superintendent. It should also be made the duty of persons traveling the road, to provide themselves with the amount of toll due for the use of it, and pay the same to the gate keeper in specie or good bankable paper on demand. With the additional toll house, hereinbefore mentioned, together

with the amendments suggested, the proceeds of the road, would no doubt amount to \$10,000 00 per annum, and if the road west of Paoli could be finished to Mount Pleasant, in Martin county, the income from the road would probably amount to \$20,000 or \$25,000 per annum. The reason for this opinion is, that a large portion of the travel leaves the road at Blue River, and thence to Vincennes via Livonia, Orleans and Frenches. This is done to avoid the hills between Paoli and Frenches, which would not be the case if the road were finished to Mount Pleasant. The salaries of the gate keepers at Leyden's and Newby's are too low, and ought to be raised to about \$200 per annum, owing to the great amount of travel passing, requiring almost the constant attention of the gate keepers day and night. It is said, that individuals along the road, in one or two places, are threatening to throw open their lands, and make roads around the gates in order to divert the travel and elude the payment of toll due, for the use of this road. This subject, will require the attention of the Legislature. Also, a part of sections No. 7, and No. 8, will require a three inch coat of metal, broken to five ounces, the same never having been completed under the original contracts for metalling. It is necessary here to remark, that nothing could be done towards keeping up the road west of Paoli, for want of funds, and consequently nothing was attempted to be done. The only profitable mode of saving that part of the road from dilapidation, would be to finish it to Mount Pleasant. The tabular statement herewith annexed, will show the indebtedness of the road, the amount received, and the amount paid out, and the accompanying vouchers are the evidences of payment. The rakers were employed with an understanding, that they were to be paid out of the tolls received, and in proportion to the amount of their claims, in the same manner as payments were to be made to the contractors, until the whole amount of claims shall have been liquidated. It will be seen that the principal items in the account have been occasioned by the building of the toll houses and gates, and completing the unfinished part of the road at Honey creek, on section No. 31. It is also necessary to remark, that the work in every case is not yet finished, and that the same when finished, will cost but little, if any, more than the same kind of work would have cost in 1836, at which time payments were made monthly. All of which, is respectfully submitted, by

JOHN FRAZER,

Sup. N. Albany and Vincennes McAdamized Road.

LOST RIVER, *Orange co., Nov. 18, 1840.*

COMMUNICATION

FROM

SAMUEL MERRILL,

(PRESIDENT OF THE STATE BANK,)

CONCERNING THE ISSUING OF SMALL NOTES.

To the House of Representatives:

The undersigned has received a copy of your resolution of the 29th December, requesting him to communicate answers to the following interrogatories:

“1st. Is it your opinion that the State Bank of Indiana can maintain a larger amount of circulation than it now has, without an increase of specie?

“2nd. What effect would the issuing of small bills by the bank, have upon the circulation of specie for change?

“3rd. Can the bank keep out a larger amount of circulation in bills below the denomination of five dollars, than it could in fives and tens?

"4th. As the bank is limited in its issues in proportion to the amount of specie paid in—What advantage would result from the substitution of small bills for the present circulation?

"5th. Would you consider the issuing of small bills by the bank, an improvement or debasement of the currency?

"6th. What effect would the issuing of small bills by the Bank of Indiana, be likely to have upon the credit and character of her paper in the eastern cities?"

The undersigned in answer to the first interrogatory, respectfully submits, that the circulation which the State Bank can maintain, is believed to depend mainly on the following considerations:—The reputation of the officers of the Institution for integrity and ability—the punctuality of its customers—and the State of the trade of the country as to the balance being for or against it. When the Directors of a Bank are known to keep on hand a large amount of specie, this circumstance affords evidence of their good intentions; and such is the difficulty of supplying a deficiency of specie in most western banks, that should any of them neglect preparation for an emergency in this respect, they would justly forfeit public confidence. When however, funds are provided by banks, at places where their paper tends to concentrate, they contribute much more effectually to maintain a good circulation than merely by hoarding specie.

The circulation most to be relied on, must in general be where the bank is best known, and in the business of the country where it is located. When money loaned of a bank is paid out for produce or labor, and when the borrowers are punctual, the circulation will be much more valuable both to the bank and country, than if the loans are made to pay debts to distant creditors, or for the purchase of foreign merchandise.

The balance of trade is probably at this time in favor of the State, though the benefits that might be expected from this circumstance, are not realized on account of the large foreign debt still due. When the business of the country shall again insure regular returns, and possess a character of permanency, a considerable increase of circulation may be expected by the banks.

From such knowledge of all these matters, as the undersigned possesses, he is of opinion that the present circulation of the bank will not be materially reduced till late in the spring—that in the summer and fall the circulation of ten of the branches will be reduced about one-sixth without much decrease of their specie—that the other three branches before the end of the year, will be obliged to redeem one-third of their circulation, and reduce their specie to one-half the present amount—and that even if more specie were procured, which can only be done by parting with other valuable means, no considerable increase of circulation could be maintained under the powers now exercised by the charter. To keep it near its present amount will be doing better than the same amount of bank capital in any other part of the Union.

To the 2nd and 5th interrogatories, the undersigned answers, that so far as the small bills of the bank shall take the place of other small bills, whether of individuals or foreign banks, the effects for the present will be favorable in every respect. Even specie will circulate more freely, when there is no doubt of the paper currency; for while questionable paper circulates at all, specie even for *change* will be held back when it can be. It is proper however to observe, that when there is a tendency to over banking, (which there is not at this time except by very doubtful banks,) it would be well to restrain over issues by prohibiting small bills, if no better remedy can be devised. A more effectual check, it is believed, would be the prevention of long loans, especially to stockholders. When borrowers expect to pay promptly, there is little danger of their borrowing too much.

To the 3rd interrogatory, the undersigned answers that he is of opinion that the circulation of the bank, in notes under five dollars, must always be much less than in fives and tens. Probably the latter would continue to be four or five times the former. Heretofore some of the branches have found their best circulation in fives, others in twenties and fifties. If the privilege of issuing small notes should be allowed, some of the branches would no doubt be more profited than others.

To the fourth interrogatory the undersigned answers, that the bank is not limited in its issues of paper in proportion to specie paid in. The only limit is *twice the capital of the bank*. But it will never perhaps, be safe or prudent to have issues to that extent. Probably the circulation will seldom hereafter exceed once and a fourth the capital. The advantages of issuing small bills by the bank would be: First, the specie saved when calls should be made for exchanging larger notes. This would embrace most of the calls for mere business and convenience. Second, the circulation of the small notes would be mostly in the State, and therefore they would only come back for redemption in small quantities; and Third, the bank would be able to keep out an increased circulation, if it should gradually introduce the new currency.

To the 6th interrogatory the undersigned answers, that the bank can neither hope nor desire to circulate its paper in the eastern cities to any extent. The natural and also ample field for its circulation is those parts of the western country with which it has business connections. If too much should be attempted to be made of the small note currency, if there should be any appearance of its flooding the country, the injury to the bank would, no doubt, be much greater than the benefit. It would scarcely seem prudent to issue more than \$20,000 or \$30,000 a branch the first year.

Whenever there is again a tendency to over banking, small notes should be prohibited at once, unless more efficient measures to prevent the evil can be adopted.

These opinions are submitted with much diffidence, as circumstances not now anticipated may occur, which, if foreseen, would have led to very different conclusions.

I have the honor to be, &c.

S. MERRILL.

State Bank, Jan. 1, 1841.

HON. S. JUDAH,

Speaker of the House of Representatives.

REPORT

OF THE

CHIEF ENGINEER OF STATE,

IN RELATION TO THE WABASH DAM.

OFFICE OF CHIEF ENGINEER,
Indianapolis, Dec. 28, 1840.

SAMUEL JUDAH, Esq.

Speaker of the House of Representatives:

SIR—

In obedience to a resolution of the House of the 23d inst. requesting the undersigned to report to the House "what exertions have been made on his part to lease out the water power at the Wabash dam near Delphi—also, whether he has received any bids for said water power, and if so, what the amount of said bids was and by whom made," I respectfully submit the following statement.

During the fall of 1839, public notice was given through the newspapers, that the water power at Delphi dam was ready for lease at any time, at the minimum price of \$125 per annum for each run of stones, the price having been fixed \$25 less than the usual rate on account of its being a little off the main line of the Canal. Since that advertisement, the Commissioner and Engineers have stated generally, when inquiries have been made, that

the water power was subject to lease at any time, and to any responsible person, at the price established by the Board. No bids were made in accordance with the terms, until sometime during the last Spring, when I received a proposal from Messrs Mudge, Shaw, and Smith, for power on the west side of the River, for one saw and two run of stones, which is equal in all to about four powers, at the rate of \$125 per annum for each power. Some doubts having arisen in regard to the State's title to the lot of ground on which the power was to be used, I awarded the power to these gentlemen upon the condition that they were not to commence improvements until the doubt as to the title could be removed. At a subsequent interview with Mr. Mudge, one of the firm [having in the meantime received a written legal opinion from the Attorneys to whom the matter was referred, confirming the State's title,] I stated to him that all difficulties were removed, and that they might progress with their mills. Early next season it will be necessary for the State to construct the side cut on the west side, to conduct the water to their mills. The side cut on the East side is progressing.

The undersigned has no doubt but that the water power on both sides of the River, will be improved at the price fixed, as rapidly as the wants and the improvements of the country will justify it. As soon as the navigation can be opened to Lake Erie, capitalists will seek investments in the improvement of our water power at such points as this.

Respectfully submitted,

J. L. WILLIAMS.

REPORT

OF THE

AGENT OF STATE,

FOR THE TOWN OF INDIANAPOLIS.

AGENT'S OFFICE,
December 29, 1840.

In obedience to a resolution of the House of Representatives, adopted on Saturday last, requiring the Agent of State, for the town of Indianapolis, to report the number of lots unsold, with their probable value—the amount due the State for lots previously sold, and the number of lots sold and paid for, the titles for which have not been made, the following statement is respectfully submitted.

There remain unsold lots, No. 8, 9, 11 and 12 in out lot No. 147, estimated value,

\$1,575

The balance of out lot No. 147, worth say

5,200

Total estimated value of unsold lots, exclusive of "Reservations"

\$6,775

There will be due in 1841, for lots sold

\$2,766 86

There will be due in 1842, for lots sold

2,823 11

Total derivable from former sales

\$5,589 97

There are *eighty nine* lots for which the State has received full payment, and for which there have been no titles issued.

In addition to the above unsold lots, there are the following "Reservations."

The south half of square forty eight.

"The Governors Circle."

Square twenty five, reserved for a "University."

Square twenty two, reserved for an "Hospital."

Out lots No. one hundred and forty five, and one west of White river, reserved for the Ferry over White river.

THO. H. SHARPE, *Agent.*

COMMUNICATION

FROM THE

THE TREASURER OF STATE,

IN RELATION TO THE FINANCES.

TREASURER'S OFFICE,
Indianapolis, Jan. 1, 1841. }

To the Hon. General Assembly of Indiana:

The undersigned Treasurer of State, in the annual report in relation to the finances which he had the honor to communicate to the General Assembly at the opening of the present session, gave the opinion, "that an amount of funds, other than Treasury notes, would be paid into the Treasury for revenue, which, with the amount the Fund Commissioners will be able to deposite to the credit of the Treasurer of State under the joint resolution of the 24th February last, would be adequate to the discharge of all claims upon the Treasury for the ordinary expenses of the state for the year 1841. And it was also indicated, that if, in the course of payments of Revenue at the Treasury, this prediction should fail to be realized, the General Assembly would be advised of the fact.

The payments of revenue being now nearly completed, and it being found that almost the entire revenue has been paid in Treasury notes, it has become my duty to advise the General Assembly thereof, and of the amount which it will be necessary to provide to supply the deficiency and enable the Treasury to meet the current demands for the civil list for 1841.

The Fund commissioners at their meeting in October last, determined on depositing to the credit of the Treasurer of State, as contemplated in said joint resolution, the Bank dividends on the stock created by the surplus revenue, and the interest on loans of the same fund under charge of the sinking fund commissioners, which it is estimated will produce about \$44,000.

The periods at which this amount would be available, would be, about \$17,000 in October 1840—\$17,000 in May 1841, and \$10,000 in July 1841.

It was also thought advisable by the Fund Commissioners, in like manner to deposit to the credit of the Treasurer of State, the amount which should be received as interest on canal lands, in the event of the revenue being mainly paid in Treasury notes.

If this be done, it will enable the Treasury to meet the demands of the civil list for the current year, as the amount arising from this last item, (interest on canal lands) will be available during the present session of the General Assembly, when the main disbursements of the year require to be made.

I would respectfully recommend that this course be adopted rather than resort to a temporary loan.

If the General Assembly, shall, however, deem it more advisable to authorize a loan in preference to the course above suggested, it will become necessary, with as little delay as possible, to make such provision for an amount at the discretion of the Treasurer of State, not exceeding \$30,000.

The undersigned deems it proper, here to remark, that the funds proposed to be deposited to the credit of the Treasurer of State, to be applied to the ordinary expenses of the government are by law, set apart for the payment of interest on the public debt.

It is not intended by the present proposed application of the funds to pervert it from the object for which it is pledged, but merely to exchange western funds for such as may be otherwise raised in the east; using the latter there for interest, by which the cost and difficulty of procuring exchange will be obviated.

If there should be a semblance of impropriety in this course, it most certainly will find a palliation in the fact, that the revenue levied for the ordinary expenses of the State, has been absorbed in payment of principal and interest on the public debt in redemption of Treasury notes.

If then, there shall be no action on the part of the General Assembly, in relation to the matter, it will be regarded as an approval of the foregoing recommendation, and reliance will be had for the necessary means, from the sources above suggested.

Respectfully,

N. B. PALMER,

Treasurer of State.

COMMUNICATION

FROM

SAMUEL MERRILL,

(PRESIDENT OF THE STATE BANK,)

IN RELATION TO THE DISCOUNTS OF THE BANK.

OFFICE OF THE STATE BANK OF INDIANA,
Indianapolis, Jan. 7, 1841.

HON. S. JUDAH,

Speaker of the House of Representatives:

SIR—

Herewith is transmitted a statement, in answer to a resolution of the House, requesting a statement of the amount of discounts of the Bank, at a uniform period in each month, for the last two years; and also, the amount of Capital Stock of a corresponding date.

Very respectfully,

S. MERRILL, *President.*

STATEMENT OF THE
Discounts of the State Bank of Indiana, and the Capital Stock in each month of 1839 and 1840.

	BILLS DISCOUNTED.	AVERAGE.	BILLS OF EXCHANGE.	CAPITAL STOCK.	AVERAGE.
1839, Jan. 31	\$3,363,239 33		\$1,166,150 10	\$2,332,900	
" Feb. 28	3,514,026 52		1,251,128 03	2,334,800	
" March 30	3,549,249 40		1,411,616 64	2,426,450	
" April 30	3,054,163 84		1,256,565 32	2,475,600	
" May 31	3,450,492 16		1,169,260 09	2,520,250	
" June 29	3,418,159 10		1,030,137 26	2,549,600	
" July 31	3,415,223 96		841,397 56	2,569,800	
" Aug. 31	3,329,741 20		837,105 07	2,577,800	
" Sept. 30	3,258,001 00		785,428 83	2,583,050	
" Oct. 31	3,192,392 16		747,804 52	2,594,000	
" Nov. 30	3,229,683 79		779,179 46	2,595,484 38	
" Dec. 31	3,221,335 00	For 1839.	1,056,455 63	2,607,425	For 1839.
	12)39,997,707 46	\$3,333,142 29		12)30,167,159 38	\$2,513,929 94
1840, Jan. 31	3,255,906 64		1,044,646 63	2,623,228 13	
" Feb. 29	3,184,781 87		1,120,632 41	2,648,328 13	
" March 31	3,107,428 25		1,202,328 84	2,662,778 13	
" April 30	3,093,808 11		1,109,149 95	2,669,828 13	
" May 30	3,069,682 62		987,384 87	2,670,603 13	
" June 30	2,957,165 48		841,787 08	2,650,603 13	
" July 31	3,009,764 79		745,044 91	2,670,603 13	

"	Aug. 31	2,986,304 54	641,333 17	2,670,703 13
"	Sept. 30	3,000,319 99	673,377 39	2,670,703 13
"	Oct. 31	2,912,619 42	704,629 12	2,670,803 13
"	Nov. 30	2,848,002 28	925,890 71	2,671,618 75
		11)33,365,783 99		11)29,279,800 05
		<u>\$3,033,253 09</u>		<u>\$2,661,800 00</u>
		For 1840,		For 1840,

During the year 1840, the State debt, which is not included above, has amounted to about \$634,606 92.

JAMES M. RAY, *Cashier.*

OFFICE OF THE STATE BANK OF INDIANA,
Indianapolis, Jan. 7, 1841.

REPORT
OF THE
TREASURER OF STATE,
IN RELATION TO THE
LAWRENCEBURGH AND INDIANAPOLIS RAIL ROAD.

TREASURER'S OFFICE,
Indianapolis, Jan. 9, 1841. }

To the Hon. House of Representatives:

The Treasurer of State is informed, that the House of Representatives, on the — day of —, adopted the following Resolution, to-wit:

“*Resolved*, That the Treasurer of State, report to this House as soon as convenient, the names of the Mortgagers for the Bonds of the State, advanced to the Lawrenceburgh and Indianapolis Rail Road Company, and the amount due by each. Also, the description of the land, section, township, and range, the number of acres, and the amount for which it was mortgaged.

Also, state what is now the method of receiving the interest, whether from the Company, or from individual mortgagers; and if from individuals, state in his Report in tabular form, the amount of interest paid by each.

Also, state whether in his opinion any additional laws should be enacted for the more punctual payment of interest, and if so, that he furnish this house with a synopsis of such bill.

In reply to this resolution, the undersigned communicates the following abstract, exhibiting the names of the mortgagers, the amount of principal in each mortgage, the amount of the semi-annual interest on each, at 5½ per cent. and a description of the property mortgaged.

The interest up to the first January 1839, was paid by the Company, since which time the Company have ceased to pay, leaving each individual mortgager to pay his own interest.

Agreeably to the term of the bonds and mortgages, the interest may be paid into the Lawrenceburgh Branch Bank, and if paid one month prior to the period it becomes due, the interest is 5½ per cent. per annum, but if not so promptly paid the interest is six per cent.

As it is much more convenient to keep the accounts, and to convert the funds so as to meet the interest semi-annually due on the bonds issued to the Company by the State, encouragement has been held out to the mortgagers to pay their interest at the Fund Commissioners Office, and some portion of it is so paid.

In reply to so much of the resolution as asks the opinion of the undersigned, "whether any additional laws should be enacted for the more punctual payment of the interest, &c." I will state, that the existing laws, which govern this matter, are ample and sufficient for the purpose of coercing payments of both principal and interest, and no other provision is, as far as I am advised, necessary for that purpose.

The more legislation on the subject, the more complicated and difficult will be its management, as well as endanger the interest of the State, in relation to the securities held for the ultimate payment of the debt.

I will remark, that, at the time the mortgages were presented, for the purpose of obtaining the State bonds, authorized to be given to the Company in exchange for these mortgages, there was a balance (of about \$180,) of the amount of mortgages, over the amount of State bonds issued and delivered to the Company.

It would be just, perhaps, to authorize the Treasurer of State, to pay out of the amount which may be paid in on the mortgages, this balance, whatever it may be.

All of which is respectfully submitted,

N. B. PALMER,

Treasurer of State.

NOTE.—There are two Mortgages in the name of Elijah Mitchell not included in the abstract, they being in the hands of an Attorney for foreclosure. The amount of both is \$3,250.

NAMES OF MORTGAGERS.	AMOUNT OF PRINCIPAL OF MORT.	AMOUNT OF INTEREST SEMI-ANNU.	DESCRIPTION OF PROPERTY.
Bailey Guard, David Guard and Ezra Guard,	\$11,000	281 87	Lots Nos. 161, 162, and 167, on High-street and New-street, in the town of Lawrenceburgh.
George H. Gunn, & P. L. Spooner,	3,300	84 56	25 acres and 32 poles of land in the old town of Lawrence- burgh, excepting thereout, if any as is covered by the line of the L. & I. Rail Road. Also, out lot, No. 28, in said town.
George H. Dunn,	2,500	64 06	In-lots Nos. 104, and 109, in the town of Lawrenceburgh. Also, part of In-lot, No. 196, in said town.
George H. Dunn, W. Tate, and D. Spinger,	4,150	106 35	1520 acres of land in the coun- ty of Ripley, laying in, and being part of sections, Nos. 7, 8, 17, 20, 21, 27, 28, 29 & 30. All in T. 9, N. R. 11 E.
David V. Cully,	1,000	25 62	Lot, No. 4 & 14, in Guard & Percival's addition to the town of Lawrenceburgh.
Jesse Laird,	4,000	102 50	About 93 acres off of the south east part of the S. W. qr. s. 8, t. 5, r. 1. Also, 85 acres off the north west portion of the S. E. qr. of same section, town and range, all in Dearborn county.
Morgan Welsh,	1,200	30 75	The south west half of in-lot, No. 42, in the town of Lawrence- burgh,
George P. Buell,	10,400	266 60	The S. W. qr. of sec. 4, town. 5, range 1, west. Also, 50 acres and 56-100, taken off the north side of the N. W. qr. sec. 9, town. 5, range 1, west. All in the county of Dearborn.
Omer Tousey,	1,200	30 75	The west half N. E. qr. sec. 17, town. 5, range 1, west, con- taining 80 acres, excepting about six acres in the north west corner of said tract.

George P. Buell,	1,900	48 69	In-lots No. 6, 8, 9 & 10, in the addition to the town of Lawrenceburgh as laid out by Guard and Percival.
George P. Buell,	2,000	51 25	The north east qr. sec. 7, town. 5, range 1, west, in the county of Dearborn.
George Tousey,	3,400	87 12½	Being two fifths of the undivided one third part of 125 acres, lying in sec. 10 & 11, town. 5, r. 1. Also, one third part of 107½ acres in said sec. 10, near the town of Lawrenceburgh.
John P. Dunn,	3,050	78 15	Seven hundred and sixty acres, being parts of sec. Nos. 19, 20, 21, & 22, town. 9, range 12, and part of sec. 26, town. 9, range 11. Also, the undivided third part of 2400 acres of land lying in sec. 17, 8, 5, 4, 9, town. 9, range 12; and also part of sec. 33, town. 9, range 12. All in Ripley county.
Milton Gregg,	4,000	102 51	107 60-100 acres being part of the north west qr. sec. 13, town. 6, range 1, west. Also, 86 acres out of the south west corner of sec. 12, same town. and range.
George Tousey,	2,000	51 25	Eight hundred acres of land in Ripley county, lying in and being part of sections, No. 25, town. 9, range 10, and parts of sec. 30, town. 9, range 11.
George Tousey,	1,100	27 19	Four hundred and forty acres of land in Ripley county, being part of sec. 1, town. 9, N. R. 10; and also parts of sec. 14 & 20, town. 9, range 12.
George Tousey,	2,950	75 59	Thirteen hundred and twenty seven acres of land in Ripley county, being part of sections, Nos. 12, 24 & 13, town. 9, range 10; also parts of sec. 18 & 19, town. 9, range 11.

George Tousey,	700	17 93	Three hundred and thirty, forty eight one hundredth acres of land in Ripley county, being part of sec. Nos. 12 & 13, town. 7, range 10, and part of sec. 18, town. 7, range 11.
Omer Tousey,	550	14 09	Two hundred and forty six 44-100 acres of land in Ripley county, being part of sec. 12, town. 7, range 10, and part of sec. 6, town. 7, range 11.
John P. Dunn,	4,250	108 90	Seventeen hundred and five acres of land in Clay county, being part of sec. Nos. 8, 10, 17, & 36, town. 1, range 7, and parts of sec. Nos. 4, 12, 16, & 1, town. 9, range 7, and parts of sec. Nos. 34, 18, 8, 17, & 28, town. 9, range 6, and part of sec. 31, town. 10, range 6.
Omer Tousey,	4,450	114 03	Seventeen hundred and ninety nine 56-100 acres of land in Clay county, being part of sec. Nos. 8, 10, 25, & 35, town. 10, range 7. Also, parts of sec. No. 31, town. 10, range 6. Also, parts of sec. Nos. 9, 12, 13 & 2, town. 9, range 7. Also, parts of sec. Nos. 18, 8, 17 & 27, town. 9, range 6.
George Tousey,	4,150	106 34	Sixteen hundred and seventy one 49-100 acres of land in Clay county, being part of sec. Nos. 9, 11, 25, & 35, town. 10, range 7. Also, parts of sec. Nos. 10, 12, 1, and 23, town. 9, range 7. Also, parts of sec. Nos. 17, 20, 7, 28, and 27, town. 9, range 6.
Omer Tousey,	5,050	129 41	Twenty one hundred and twenty 29-100 acres of land in Spencer county, being part of sec. Nos. 5 and 6, town. 7, range 5, and parts of sec. Nos. 31, 32 & 33, town. 6, range 5, and part of sec. 1, town. 7, range 6, and part of sec. No. 36, town. 6, range 6.

George Tousey,	4,050	104 03	Seventeen hundred and fifty three 87-100 acres of land in Spencer county, being part of sec. Nos. 26, 33, 36 and 35, town. 6, range 5, and part of sec. Nos. 29 and 36, town. 6, range 5, and part of sec. No. 36, town. 6, range 6, and part of sec. No. 14, 12, 11, 15, town. 7, range 6, and part of sec. Nos. 34, and 35, town. 6, range 5.
Omer Tousey,	3,300	84 56	Eleven hundred and twenty three 40-100 acres of land in Knox county, being part of sec. Nos. 32 and 33, town. 2, range 11, and part of sec. No. 9, town. 1, range 11, and part of sec. No. 28, town. 2, range 11, and part of sec. No. 33, town. 2, range 11, and part of sec. 9, town. 1, range 11.
John P. Dunn,	2,600	66 62	Ten hundred and forty acres of land in Perry county, being part of sec. No. 20, town. 6, range 3, and part of sec. Nos. 17, 5, 8, town. 6, range 3.
Jacob Vernon,	250	6 41	The north east qr. of the S. E. qr. sec. 7, town. 13, range 7, east, in the county of Shelby.
Jacob Kennerly,	1,200	30 75	Ninety acres of land in the county of Shelby, being the east half, south east qr. sec. 28, and so much of the north west qr. of sec. 34, as lies on the west side of little Blue river, all in town. 13, range 7.
Wm. E. Midkiff,	300	7 69	The south east qr. of the north east qr. sec. 9, town. 12, range 7, east, in Shelby county.
Jacob Vernon,	500	12 81	The north west qr. of the south west qr. sec. 8, town. 13, north, range 7, east, in Shelby county.
R. S. Cummins,	1,400	35 87	One hundred and sixty acres of land in the county of Shelby, being the east half south east

			qr. and south west south east qr. south east qr. north east, all in sec. 19, town 13, range 7.
R. Lemasters,	400	10 25	The north east qr. of the north west qr. sec. 23, town. 12, north range 6, east, in the county of Shelby.
W. W. McCoy,	500	12 31	One hundred and sixty acres of land, situate in Shelby county, being the east half north west qr. sec. 32, and the south half south west qr. sec. 29, bottom, town. 14, range 6.
Sam'l Walker, & R. S. Cummins,	500	12 31	Seventy acres of land situate in Shelby county, being in sec. No. 1, town. 12, range 6, and adjoining the town of Shelbyville.
T. C. Griffing,	550	14 10	Eighty acres of land situate in Shelby county, being the east half north east qr. sec. 15, town. 11, range 7.
Nath'l Teal,	2,000	51 25	One hundred and fifty two 38-100 acres of land situate in Shelby county, being east half north west qr. and the west half north east qr. sec. 31, town. 13, range 7.
Benj. Robinson,	950	24 34	Eighty acres of land situate in Shelby county, being the east half south east qr. sec. 15, town. 11, range 6.
Samuel Walker,	950	24 34	Eighty acres of land in Shelby county, being the east half north west qr. sec. 27, town. 13, range 7, east. Also, lot No. 30, and out lot No. 3, in the town of Shelbyville.
Lewis Morgan,	1,200	30 75	One hundred and eighty four acres of land situate in Shelby county, being the north west qr. sec. No. 2, town. 13, range 6. Also, south west qr. sec. 33, and south east qr. of south east qr. sec. 32, town. 14, range 6, east.

William Major,	2,000	51 25	One hundred and sixty acres of land situate in Shelby county, being the south east qr. sec. 6, town. 11, range 8, east.
Allen Duncan,	200	5 12	Eighty acres of land situate in Decatur county, being the west half south east qr. sec. 35, town. 11, range 10.
Hosier J. Durbin,	850	21 78	Two hundred and eighty acres of land situate in Decatur county, being south east qr. south west qr. and the south west qr. of south east qr. sec. 1, and the south half north west qr. and the south west qr. north east sec. 12, and north half north west qr. sec. 12, east, town. 10, range 10.
John Walker,	3,800	97 37	Seven hundred and fifty nine 41-100 acres in Shelby county, being parts of sec. Nos. 31, 32, 29, town. 14, range 6.
W. H. Campbell,	3,000	76 87	Four hundred acres of land in Shelby county, being part of sec. 24, 25, town. 13, range 6, and part of sec. 16, town. 12, range 7.
Stephen Major,	1,600	41 00	Two hundred and forty acres in Shelby county, being north west qr. sec. 12, and the east half north east qr. sec. 22. All in town. 11, range 7.
E. A. Jocelyn,	700	17 94	Forty acres of land situate in Decatur county, being the north east qr. of south east qr. sec. 30, town. 10, range 10.
James B. Foley,	1,100		Fifty acres of land situate in Decatur county, being and laying in south west corner of sec. 36, town. 11, range 9.
John Thomson,	400	10 25	Out-lot No. 11, in the town of Greensburgh.
David Gazeby,	950	24 34	In-lot No. 73, in Block No. 11. Also, out-lots Nos. 14 and 15, in the town of Greensburgh.

Omer Tousey,	6,800	174 25	Three thousand and twenty eight 26-100 acres of land situate in Ripley county, being part of sec. Nos. 10, 11, 12 & 15, town. 8, range 10, and part of sec. Nos. 17, 19 & 31, town. 8, range 11, and part of sec. No. 5, 10, 11 & 18, town. 9, range 12.
Stephen Major,	350	8 96	Seventy seven 27-100 acres of land situate in Shelby county, being the west half north east qr. sec. 1, town. 11, range 6. east.
Joseph Cummins,	12,50	32 03	Sixty two acres of land adjoining the town of Middletown, in Shelby county, being part of the east half south east qr. sec. 29, town. 12, range 8.
Jas. Shannon,	1,200	30 75	Seventy six acres of land situate in Decatur county, being the east half of the south west qr. sec. 31, town. 11, range 10.
John Davidson,	9,000	230 62	Five hundred and fifty one acres of land situate in Dearborn county, being the south half sec. 20, and the south half north east qr. sec. 20, and the south east qr. of sec. 29. All in town. 6, range 1, except nine acres.
William Tate,	4,800	123 00	Sixteen acres of land situate in Dearborn county, adjoining the town of Lawrenceburgh.
William Tate,	3,300	84 62	Eleven acres of land adjoining the town of Lawrenceburgh, in Dearborn county.
Otho Hays,	3,150	80 72	Five hundred and twenty acres of land situate in Posey county, being parts of sec. Nos. 24, 23, 14, 13 & 25. All in sec. 7, south, range 13, west.
D. S. Major,	500	12 81	In-lots Nos. 87 and 88, in the town of Lawrenceburgh.
D. S. Major,	400	10 25	Eighty acres of land situate in the county of Tippecanoe, being

			the west half south west qr. sec. 12, town. 21, range 3, west.
D. S. Major,	500	12 81	Two hundred and eighty acres of land situate in Dearborn county, being the west half north east qr. sec. 7, and south east qr. north west qr. sec. 17, town. 7, range 1, and the east half, north west qr. sec. 24, town. 8, range 3, and the north half north west qr. sec. 20, town. 7, range 2.
Gardiner Elliott,	400	10 25	The undivided half of in-lot No. 189. Also, the south eastern half of in-lot No. 189, in the town of Lawrenceburgh.
D. S. Major,	700	17 94	One hundred and sixty acres of land in Dearborn county, being the south west qr. sec. 15, town. 7, range 1.
David Paramore,	500	12 81	Eighty acres of land situate in Decatur county, being the east half south east qr. sec. 23, town. 10, range 8.
G. C. Paramore,	500	12 81	Seventy eight 24-100 acres of land situate in Decatur county, being the east half north west qr. sec. 18, town. 10, range 9.
G. W. Hopkins,	600	15 37	Forty acres of land situate in Decatur county, being the south half east half south east qr. sec. 5, town. 10, range 10.
Adam Hood,	400	10 25	Forty acres of land situate in Decatur county, being the south half of the west half north west qr. sec. 9, town. 10, range 9.
A. Bohanan,	1,200	30 75	One hundred and sixty acres of land situate in Decatur county, being south west qr. sec. 32, town. 11, range 9.
J. F. Shannon,	600	15 37	Forty acres of land situate in Decatur county, being the north half of the east half north east qr. sec. 1, town. 10, range 9.

James B. Foley,	3,000	76 87	One hundred and sixty acres of land situate in Decatur county, being the east half north east qr. sec. 19, and west half north east qr. sec. 19, both in town. 11, range 10.
Nathaniel Lewis,	1,500	38 44	Eighty acres of land situate in Decatur county, being the east half south east qr. sec. 6, town. 11, range 11.
Wm. Hamilton,	1,300	33 31	Four hundred acres of land situate in Decatur county, being the north half sec. 11, and the east half south west qr. sec. 11, both in town. 10, range 10.
Daniel G. Bryant,	3,000	76 87	One hundred and ninety two acres of land situate in Decatur county, being thirty two acres off of the north west qr. sec. 31. Also, north east qr. of sec. 31, all in town. 12, range 11.
J. T. Lancaster,	1,175	30 10	Forty seven acres of land situate in Dearborn county, being part of the south east qr. sec. 13, town. 6, range 1, west.
W. & L. Morgan,	8,000	205 00	Two hundred acres of land situate in Dearborn county, being part of sec. 29, and fract. sec. 27, 28, town. 5, range 1, on the Ohio river.
John Billingly,	11,000	281 87	Two hundred and eighty acres of land situate in Dearborn county, being on the Ohio river, adjoining fract. sec. 27, 28, town. 5, range 1.
David V. Cully,	500	12 81	In-lot No. 5, in Guard & Percival's addition to the town of Lawrenceburgh.
John P. Dunn,	950	24 34	Four hundred and eighty 89-100 acres of land situate in Ripley county, being the west half north west qr. and south west qr. and west half south east qr. sec. 5, and north west qr. sec. 7,

			west half north east qr. sec. 8, all in town. 8, range 11.
Enoch D. John,	3,730	95 58	Sixteen hundred and sixty two acres of land situate in Ripley county, being part of sec. 33, 34, 35, 32, town. 10, range 12. Also, parts of sec. 4, 3, 2, town. 9, range 12.
Walter Hays,	18,000	461 25	One hundred and twenty nine acres of land situate in Dearborn county, in Miami bottom, near Lawrenceburgh.
Enoch D. John,	9,100	233 18	Eleven hundred and forty three acres of land in Marion and Hendricks counties, being parts of sec. No. 27 & 34, town. 15, range 3, in Marion county, and parts of sec. 13 & 14, town. 16, range 1, in Hendricks co.
Harris Fitch,	3,400	87 12	Part of in-lots Nos. 81 & 82. Also, in-lot No. 69, and the west half of in-lot, No. 47, in the town of Lawrenceburgh.
David Guard,	1,000	25 62	In-lots Nos. 11 & 12, in Guard & Percival's addition to the town of Lawrenceburgh, reserving 19 feet five inches off of the west side of said lot, No. 12.
George Tousey,	750	19 22	Four acres and a fraction ad- joining the town of Lawrence- burgh.
William Little,	1,400	35 87	The east half north west qr. and the south west qr. north west qr. sec. 22, town. 12, range 7. Also, 148 acres of land adjoin- ing the town of Shelbyville. Al- so, part of lot No. 6, on Franklin street, in said town.

REPORT

OF MR. LANCASTER, FROM

THE SELECT COMMITTEE,

IN RELATION TO A

SUPERINTENDENT OF COMMON SCHOOLS.

MR. SPEAKER—

The select committee to whom was referred the resolution of the house, respecting the appointment of a Superintendent of common schools; having examined the subject with that attention its importance seemed to require, they have directed me to make the following report:

The office of Superintendent, has been adopted in a number of the States; as well as in several countries of Europe, where systems of common schools have been established: and every where, as far as the committee have ascertained, with unequivocal success. In Ohio, Pennsylvania, and New York, the press teems with evidence, of the salutary influence, that may arise from the exercise of one enlightened mind, having all its energies concentrated upon one object, the development of all the resources of the State, belonging to education, and giving a proper direction to its varied interests. In those States, under this officer, the school funds have been

better preserved and distributed; the qualifications of the Teachers advanced, parents have been aroused to a higher appreciation of the benefits of education. The school houses, the kind of books, and the whole cause, submitted to his care, and supervision, has received an impulse and improvement, highly gratifying to the friends of such an office, and amply remunerating the public, for its costs. Although in Pennsylvania, and for a long time in New York, the duties of Superintendent were discharged by the Secretary of State. In consequence of which, the Superintendent was prevented from visiting the different portions of the State, and giving that individual attention to the interests of education, so necessary to realize the full benefit of his appointment.

The committee conceive that the situation of our school funds, and the condition of the common schools among us, seriously require a more rigid investigation, than they are likely to receive under existing arrangements. It is found by a reference to the returns of the United States Marshal, for the State of Indiana, that in the number of our citizens destitute of any education, and in the number of our schools, and of pupils attending them, compared with all those between five and twenty one years of age, to be educated, as well as with those States, having a more efficient organization, and where they have had for years the aid of a Superintendent, our situation presents a most unfavorable appearance.

The whole number of children in the State, between the ages of five and twenty one years, amounts to near three hundred thousand. Of these, there are of males, between five and ten years, 57,291; between 10 and 15, 46,224; and those between 15 and 20, 38,592; whole number of males between five and 20 years, 140,107; of females, between five and 10 years, 53,590; between 10 and 15 years, 43,089; and those between 15 and 20, 37,422; whole number of females between five and 20 years of age, 134,101. We find in our six Colleges and Universities, 392 students. In the 49 Academies and Grammer Schools, 2403 students. In the 1485 primary and common schools, 44,010 students, and 7,709 of them at public charge, while 38,062 white persons over 21 years, are returned as unable either to read or write.

What an exhibition is here presented of the state of education with us. Not a sixth of those whom the law contemplates as objects of its care, and whom the framers of our constitution, with parental regard, decreed should receive the boon of knowledge, were enjoying at the time the census was taken, the privilege, which, under proper regulations would be inestimable, of an attendance even in our primary, and common schools. While in the State of New York, under her enlightened system, which the aid of her Superintendents, has greatly assisted to produce, scarcely any are found of suitable age, who have not been recipients of the benefit of a common school education. While near forty thousand of our population, the ages past, are excluded—to them the volumes of its history, the recorded lessons of human experience, have never been unfolded. The wisdom of antiquity cannot instruct, its eloquence animate, or its poetry delight them. And that communication, with enlightened minds of every age, that books afford us, the ruthless fiat of their destiny, that has denied them an acquaintance with letters, has forever closed. Even the story of our nation's birth, its toils and trials, the glorious manifestations it has given to the world, of the genius and virtue of our patriot sires; and of those pure lessons of patriotism they taught, come to them but as traditions, wild, and doubtful, mis-

leading by their errors, and losing the influence of their high example, in that benighted atmosphere, through which its images are conveyed.

Who will say, that we are discharging all our obligations in respect to the birth-right which every child in the community possesses, to a good education?

Who can look with confidence to the exercise of popular opinion, the ruling power of our country, when that opinion is thus wanting in those attributes of intelligence, necessary to its proper direction? To make its government beneficial, to enable it to uphold unwavering our political fabric, to derive from it, the greatest good, it is capable of yielding; all the elements of its power should be moulded and associated, with reference to the character of the subjects upon which it is designed to act. At the present time, we have a tide of emigrants flowing in upon us, from foreign countries, many of whom are unlettered, and all to a great extent deficient in an acquaintance with our institutions, and the character of our interests. Yet in a few years, they attain the privilege of voting, and become constituents of that sovereignty, that governs the destinies of our land. If we neglect then the education of our children, and rear up among us, in addition, a large portion of our population, uninformed of the history of their country, the nature of its government, and of its diversified interests, and neglect so to discipline their understanding as to give them the power of judging for themselves: those foreign materials, instead of catching the spirit of American society, and blending harmoniously with it, and losing their distinctive features, in their association with the mass of enlightened intellect in their adopted country, become lost in the intellectual darkness around them; and drawn by their affinity, combine with the uninformed of our community, and together, offer to the scheming and heartless politician, suitable instruments for his promotion, and the accomplishment of his ruinous and selfish designs.

Such a result is not incompatible with pure motives and love of country, and a disposition on the part of the voter, to assert his independence and act for the public good. The blind man may desire to walk in a strait and narrow path, and yet he may continually wander astray, and his feet stumble by the way side.

When we reflect upon the number and the magnitude of the interests, which, during the last ten years, have been submitted directly to the American citizen as the sovereign power, for his investigation and decision, which it was essential for him thoroughly to understand, in order to give an independent vote, and sustain that wonted equality of influence, which is the vitality of republics; we perceive how utterly impossible it is, without the education of all classes, and indeed of every voter, to preserve the best interests of our country, from being sacrificed; and the most cherished rights, from being virtually surrendered. We are reminded also, of the inadequate security our present school system affords us, of an enlightened and independent exercise of the duties of freemen.

The committee are of opinion, that the apprehension entertained by some, of the insufficiency of our school funds, to support a more efficient system, is not well founded, provided the funds are rightly employed. What the amount of our funds is, it is impossible at present to determine with accuracy, owing to the manner in which they have been used, and the uncertainty connected with their securities. We are perhaps more unacquainted with the situation of our means, applied to education, than any other State in the Union; and it certainly presents a strong reason, exclu-

sive of any other, why a Superintendent should be employed, to have our resources hunted up, and their true condition presented to the Legislature, and to the country. Separate however, from the bank capital, the Saline fund, tax on bank shares, surplus revenue loaned by Treasurer of State, surplus revenue loaned to counties; and the proceeds from lands returned for non-payment of taxes not yet collected and disbursed, affords together a capital of near \$700,000, and yields possibly \$50,000, per annum. If, however, the proceeds of all the funds alluded to, were collected, or secured, and made available to the important purposes, for which they have been appropriated, and those arising from the sales of land funded; the capital would be augmented, and its productiveness greatly increased, and would afford a sufficient pecuniary basis if well employed for a highly improved system of common schools.

It has been found, that a large fund, one nearly sufficient for the whole purpose of education, except where a compulsory system, similar to the Prussian is in force, is more injurious, than beneficial. The public fund should be used in such manner, as to act, as an inducement to parents; and the community generally, to co-operate with the State, by raising the greater portion of the necessary means, by taxation, among themselves. Where a man contributes towards any object, a portion of what he has gained by his labor, he will always feel a greater interest in the manner of its disbursement. This contribution secures his attention, and his assistance. It induces him to examine with more care, the ability of the teacher, and the manner he discharges his trust, and to unite with him in rendering his expenditure as serviceable as possible. Of the truth of the position, that parental affection is a sufficient, and the only guaranty for the education of youth, where the State contributes the entire means, or wholly neglects to provide any, we have abundant reason to entertain doubts. The physical wants of our nature, are the most urgent; and it requires the frequent review of moral consideration to prevent their engrossing our entire regard. And the disposition to detain their children from school, on account of their labor, frequently offers a serious impediment to their maintenance, in those seasons of the year, when their labor is the most profitable.

To establish and maintain common schools, it is essential that the community not only become convinced of the utility of education, but the character of those schools must be so elevated, as to make them equal to private ones, in order to prevent the diversion from them, of the aid of the more wealthy of the community. This, the poor man's college, should constitute the avenue through which all the branches of a good education can be acquired; you must offer reasons and inducements for the support and hearty co-operation of all classes of the community. To accomplish this, the aid of a Superintendent in the opinion of the committee, will be highly serviceable, if one of proper qualifications was appointed.

He could have charge of the school fund, and assign to each county, its quota of those funds. He could prepare and forward to the different fund, and school agents, copies of the law respecting their duties and forms of reports, to be made by them. He could devise means to improve the qualifications of teachers. He could furnish information respecting the position, construction, and furniture of school houses. He could shape and associate the heterogeneous materials of what might be made an excellent system. He could examine and ascertain the real situation of our school funds, the condition of our Seminaries and common schools, the state of education, with the experience of other States and foreign countries on

subjects affecting common schools, and present the result of his inquiries to the Legislature, with such suggestions relating to the improvement of our school laws, as would prove exceedingly serviceable to our future Legislation upon this subject.

He could also do much to enlighten public opinion and especially, where it is so much needed, impress upon the minds of parents, a clearer sense of the right course for them to pursue in regard to the education of their children, and improvement of their schools; for reformation must commence in parents, and the improvement of public sentiment anticipate or accompany that of the law, in order to be either permanent or salutary.

Feeling assured that the friends of education throughout the State, generally desire the appointment of a Superintendent, at least for a few years, until we could effect a reformation of our schools; the committee would press its consideration upon the house at the present time, as important to a subject around which concentrate the hopes of the parent, and the patriot; and in which live, all the promises of that high advancement of social and political condition, we ardently aspire to, in the future. Their duty being simply to bring the subject before the House for its action, they have not entered into the consideration of the wants, and of the importance of education among us, further, than to afford a brief illustration of the necessity of an improvement of our system.

COMMUNICATIONS

FROM THE

FINANCE COMMISSIONER,

PRESENTED

TO THE GENERAL ASSEMBLY.

DEPARTMENT OF STATE,
Indianapolis, Jan. 20, 1841.

HON. S. JUDAH,

Speaker of the House of Representatives:

SIR—

Enclosed, I have the honor to transmit to you, to be laid before the House of Representatives, copies of sundry communications, this morning received from our Finance Commissioner, now in the city of New York.

I am very respectfully,
Your obedient servant,
WM. SHEETS.

Extract from letter of MILTON STAPP, Esq., to E. R. BIDDLE, Esq.,
dated INDIANAPOLIS, *November 14, 1840.*

"I enclose you herewith a pattern for our rail, full size on the paper, its length is put down at 18 feet nine inches. It may be made longer if it suits the manufacturer better, but must not be shorter. I hope Sir, that you will succeed in having this iron delivered in time. Have it delivered at New Orleans, and if there is any loss to you in this change, the State will pay it.

I shall be in New York early in December, and hope to see you then."

Very respectfully,

MILTON STAPP.

NEW YORK, *December 30, 1840.*

EDWARD R. BIDDLE, Esq.

President, &c.

SIR—

I have the honor to enclose to you a joint resolution of the Legislature of Indiana, giving notice to your institution, that they decline receiving the *Rail road* iron on our contract of October last. I hope that our transactions with Messrs. Davis, Brooks & Co. can be so arranged as not to interfere with the expressed wishes of this body.

Will you have the goodness to take the earliest opportunity of calling on Messrs Davis, Brooks, & Co., and if possible arrest the order for the iron at least, until we can have a further interview with that house.

I am sir, very respectfully, your ob't servant,
MILTON STAPP.

MORRIS CANAL AND BANKING COMPANY, }
Jersey City, December 24, 1840. }

MILTON STAPP, Esq.

Fund Comm.

SIR—

The Steam Packet Acadia sails from Boston to Europe on the second day of January next, and if it is important to have your Rail road iron by the first day of May next, it is desirable that the order should go out for it by this Packet.

Shall we close our contract with Messrs. Davis, Brooks & Co. so as to

avail ourselves of this opportunity to order the iron. If so, it will be necessary for you to see them, as we wish the contract for the delivery of the iron, to be direct from them to you. It is understood that you are to transfer to Messrs. Davis, Brooks & Co. our contracts for the delivery of the iron on the first of May next, with the collateral security given to you by us, and we are to put in such other collaterals as will make them secure.

I remain, very respectfully, your ob't servant,
E. R. BIDDLE, *President.*

NEW YORK, *December 26, 1840.*

E. R. BIDDLE, Esq.
President.

SIR—

Your favor of the 24th is before me, and I can see no objection to the course proposed by you, in reference to the purchase of the Rail road iron. There is nothing said either in the papers at Indianapolis, or letters from the Legislature, indicating an action of the Legislature with regard to the notice to be given. And as it is important that we should have the iron by the time it is due, I think it best to close the contract, and send the order out by the Acadia. Please to call at my room on Monday morning before 10 o'clock, and I will accompany you to the Messrs. Davis, Brooks & Co.

Very respectfully,
MILTON STAPP.

January 12, 1841.

W. J. BROWN, Esq.
SIR—

I have waited day after day, since the 5th of this month for Mr. Biddle to furnish me copies of my letters with regard to this iron. He on yesterday promised me faithfully to furnish me a copy of one in answer to his of the 24th December, but he has not yet furnished it.

The foregoing is the substance of that letter so far as I can recollect.

Very respectfully,
MILTON STAPP.

MORRIS CANAL & BANKING COMPANY, }
 Jersey City, December 31, 1840. }

MILTON STAPP, ESQ.
Fund Comm.

SIR—

Your favor of the 30th instant enclosing certain resolutions of the Indiana Legislature, was received this morning, and I exceedingly regret the course your Legislature has thought proper to take, in this matter. From the representation made by you of the situation of your road, the receipt from your Engineer of a pattern for the rail, and your own views in relation to the matter, all tended to induce me to look to the course I had pursued, as that which it would be the interest of your State to adopt; and although it may be in my power to rescind the arrangement made with Messrs. Davis, Brooks & Co. thus far, yet it will be very inconvenient for me to do so. I will however, see Mr. Davis to day, and if the order for the iron has not already been sent to Boston to be in time for the sailing of the Steam Ship on the second, I will arrest it for the present, with full confidence, however, that your State will yet find it to be her interest to permit the arrangement entered into to progress agreeably to our understanding.

With great respect, I am Dear Sir,
 Your obedient servant,

E. R. BIDDLE, *President.*

NEW YORK, January 5, 1841.

WILLIAM J. BROWN, ESQ. *Sec. of State,*
For the State of Indiana.

SIR—

Your favor, enclosing a Joint Resolution of the State of Indiana, with reference to the contract for iron, with the Morris Canal and Banking Co., was received by me on the 30th ultimo, and the resolution endorsed transmitted on the same day to Edward R. Biddle, Esq. President of that institution.

Mr. Biddle's answer, together with a correspondence had between him and myself prior to the reception of your enclosure, accompanies this communication, all of which I hope you will lay before the Legislature now in session. The order for the Rail road iron was arrested by Mr. Biddle, only a few hours before the departure of the mail for Boston. But his arrangement with the Messrs. Davis, Brooks & Co., cannot be receded from, without much inconvenience to the institution over which he presides, and some discredit to myself personally. But we will endeavor to carry out the *final* wishes of the Legislature on this subject.

I am sir, very respectfully,

MILTON STAPP, F. C.

COMMUNICATION

FROM THE

BOARD OF INTERNAL IMPROVEMENTS,

IN RELATION TO REPAIRS ON

THE WABASH AND ERIE CANAL, AND MADISON AND

INDIANAPOLIS RAIL ROAD.

OFFICE OF BOARD OF INT. IMPROVEMENT, }
Indianapolis, Feb 2, 1841. }

HON. SAMUEL JUDAH,

Speaker of the House of Representatives:

SIR—

In answer to a resolution of the House, a copy of which was received sometime since, of 24th ult. requesting a statement of the cost of repairs during the past season on the Wabash and Erie Canal; the White Water Canal; and the Madison and Indianapolis Rail Road; the Board would respectfully state, that the expenditure during the past season

on these works, which may properly be termed repairs, including the Superintendent's wages, is as follows, to-wit:

On the Wabash and Erie Canal, 90 miles, about	\$7,972
On the White Water Canal, 31 miles,	3,000
On the Madison Road, 20 miles,	2,800

Respectfully,
N. NOBLE.

COMMUNICATION

FROM THE

BOARD OF INTERNAL IMPROVEMENTS,

IN RELATION TO THE

WATER POWER AT THE FEEDER DAM, ON THE

CROSS-CUT CANAL.

OFFICE OF BOARD OF INT. IMPROVEMENT, }
Indianapolis, Feb. 2, 1841. }

HON. SAMUEL JUDAH,

Speaker of the House of Representatives:

SIR—

The Board have received a copy of a resolution of the House, adopted on the 23d ult. requesting them "to inform the House, whether any proposals have been made for the letting of the water power at the aforesaid dam, [Eel river dam on Cross cut Canal] and if any, what the conditions of said proposals, and why in the report of the 5th inst. was there no estimate given of the value of that power; and whether it is or is not the intention of the State Board of Internal Improvements to let the

water power at the aforesaid dam, and what amount of water may be used at said dam, and what revenue it will yield to the State, with any other explanatory remarks deemed necessary, to fully show the importance and value of that work."

In reply to these inquiries, the Board would respectfully state, that there will be considerable amount of water power at the Eel river dam *for a part of the year*. If the canal is opened to Terre-Haute, the whole flow of Eel river, during the summer season must be passed through the canal, which will leave a surplus of water at the dam, only for a period of six or eight months. During this length of time, it is supposed that one good mill on each side of the river, might be propelled, amounting in all, probably to eight or ten run of stones. This power the Board have estimated to be worth \$100 per annum, for each run of stones. During the last summer, the Board advertised this power for rent. Only one proposal was received, which was for two run of stones, and one saw, at a rent of only \$50 per annum, for each run of stones. The Board deemed this too low, and were of opinion that it would not justify the expense of cutting the races. As soon as the Board can let this power at a fair price they will do so.

In the report made to the House on the 5th ult. in relation to the water power on the Cross-cut canal, this was not included because we understood that call to refer only to the power which would be created by the opening of the canal, to Terre-Haute.

Respectfully,
N. NOBLE.

REPORT

OF MR. SWEETSER,

IN RELATION TO

THE STATE LIBRARY,

PRESENTED

TO THE GENERAL ASSEMBLY.

*The following is a list of the Books belonging to the State Library,
Alphabetically arranged.*

	NO.	VOLS.	MISSING.
American Constitution, - - - -		1	
American Rail-road Journal, - - - -		7	
American Almanac, 1830—1841, - - - -		12	
Armstrong, J. History American War, 1812, - - - -		1	
Anderson, W. History of France, - - - -		2	
Ashmon, J. Life of, by Gurley, - - - -		1	
Alexander the Great, life of, by Williams, - - - -		1	
Acerbi, J. travels to the North Cape, - - - -		2	
Annacharsis' travels in Greece, - - - -		4	

	NO.	VOLS.	MISSING.
Alcoran of Mohammed,	-	2	
Akenside's Pleasures of imagination,	-	1	1
Aschylus, works of,	-	1	
Abercrombie on Philosophy of moral feelings,	-	1	
American Annals of Education,	-	8	
Aiken, J. Letters,	-	1	
Athenæum,	-	16	
Adams, J. Q. Lectures on Rhetoric,	-	2	1 2
Athens, by E. L. Bulwer,	-	2	
Aikens, Charles,	-	2	1 2
Africa, interior of,	-	2	
Alton trials,	-	1	
Antiquity of the Jews,	-	2	
America, History of,	-	1	
Allen's Biographical Dictionary,	-	1	
Arnott's Physics,	-	2	
American Revolution,	-	2	
Abel's residence in China,	-	1	
American in England,	-	2	
Alcott's Library of Health,	-	2	
Anderson's History of Commerce,	-	4	
Anacharsis' travels,	-	2	
Ashe's travels in United States,	-	1	
Advice in pursuit of Literature,	-	1	
American Oratory,	-	1	1
Adam on Millenium,	-	1	
Abbe Millott's History,	-	3	
Algiers, History of,	-	2	
“ “ by Shaler,	-	1	
American Library of Useful Knowledge,	-	1	
Bridgwater treatise by Chalmers,	-	1	
Bentham, J. writings of, 8vo. 1816,	-	4	
Bentham, J. tactics,	-	1	
Bentham, J. Panopticon.	-	4	
British Cicero,	-	3	
Brougham's speech on present state of Law,	-	1	
Burlemaque N. Law,	-	2	
Burr, A. trial of,	-	1	
Bigelow, J. Technology,	-	1	
Brown, Thomas, Philosophy of the mind,	-	2	
Booth, H. Rail Road Report,	-	1	
Babbage, C. Economy of Machinery,	-	1	
Botta, C. History of Am. Revolution,	-	2	
Baylies, F. History of Plymouth,	-	2	
Bradford, A. History Mass.	-	3	
Belknap, J. History N. Hampshire,	-	3	
Boymann, J. L. History Kentucky.	-	1	
Burke, E. European settlements in America,	-	2	
Banes' History French Revolution,	-	2	
Botta, C. History Italy,	-	1	

	NO.	VOLS.	MISSING.
Beckford's Italy,	-	-	2
Barron, J. Pitcairn's Island, (F. L.)	-	-	1
Byron, Lord, life of, by T. Moore,	-	-	2
Biography of Eminent Characters,	-	-	1
Burr, A. life of M. Davis,	-	-	2
Bonaparte, N. life of M. M. Bourrenne,	-	-	2
British Poets Lives, by J. Johnson,	-	-	1
Biography of the signers of Declaration Independence,	-	-	5
Barney, Com. J. Memoirs of M. Barney,	-	-	1
Bonaparte, N. life of, by Lockhart, (F. L.)	-	-	2
Bonaparte, N. Court and Camp of,	-	-	1
Byron Lord, life of, by Galt,	-	-	1
Bernhard Duke of Saxe Weimer travels in N. America,	-	-	2
Barnes, Alex. travels in Bokhara,	-	-	2
Back, Capt. expedition to Polar Regions,	-	-	1
Breckenridge and Hugh's Discussion,	-	-	1
Brun, Malte M. U. Geography,	-	-	5
British West Indies Atlas of,	-	-	1
Byron, Lord Works of,	-	-	1
Burns, R. Works of,	-	-	1
Bailie, J. whole works of,	-	-	1
British Drama,	-	-	2
British Statesmen,	-	-	1
Birman Empire, History of,	-	-	2
Brougham, Lord, discourses on advantages of science,	-	-	1
British Spy, by Wirt,	-	-	2
Burton's Anatomy of Melancholy,	-	-	2
Burr, A. Private journal of,	-	-	2
Bayard on the Constitution,	-	-	1
Blake's Biographical Dictionary,	-	-	1
Bigelow's Plants,	-	-	1
British Poets,	-	-	25
Bigelow's Technology,	-	-	1
Burk's and Chatham's speeches,	-	-	1
Butler's Analogy,	-	-	1
Butler's History Kentucky,	-	-	1
Bancroft's History United States,	-	-	2
Buckland's Geology,	-	-	2
Blair's Rhetoric,	-	-	1
Baxter's Works,	-	-	2
Book of knowledge,	-	-	1
Baptists in America,	-	-	1
Blue Laws, Quaker Laws, &c.	-	-	1
Bancroft's life of Walton,	-	-	1
Beecher's difficulties of religion,	-	-	1
British Portrait Gallery,	-	-	4
Book of United States,	-	-	1
Blessington's L. C. Works,	-	-	1
Breckenridge's Tour,	-	-	1
Brant, life of,	-	-	2
Burke, E. works of,	-	-	8

	NO.	VOLS.	MISSING.
Bonaparte, N. life of, by Scott,	-	3	
Biographical Dictionary by Rogers,	-	1	
Bertram's sources of Mississippi,	-	2	
Burke, E. life of,	-	2	
Bernadotte, Memoirs of,	-	1	
Buffon's Natural History,	-	5	
Biblical Analysis,	-	1	
Charles 12th,	-	1	
Carey, Memoirs of,	-	1	
Clay, H. speeches of,	-	1	
Canning, G. select speeches of,	-	1	
Carey, Matthew, Political Essays,	-	1	
Congressional Debates,	-	5	2
Chase, S. Trial of,	-	2	
Celebrated trials of all Countries,	-	1	
Cavallo, S. of Philosophy,	-	2	
Cousin, V. Philosophy of,	-	1	
Chillingworth, works of,	-	1	
Cary, M. Malignant fever,	-	1	
Clarendon, E. His. Reb. civil war,	-	6	
Crabb, G. U. Hist. Distionary,	-	2	
Contemir, D. Hist. of Ottoman Empire,	-	1	
Chambers, R. Rebellion in Scotland,	-	1	
Crichton, A. History of Arabia, (F. L.)	-	2	
Conway, A. Den. Norway, Sweden, (C. M.)	-	1	
Crichton, Revolution in Europe, (C. M.)	-	3	
Columbus, life of, by Irving,	-	3	
Clarendon Earl of, life of, by himself,	-	3	
Cromwell, O. life of, (F. L.)	-	2	
Celebrated Female Sovereigns, (F. L.)	-	2	
Celebrated Travelers, lives of, (F. L.)	-	3	
Cook, Capt. Voyages of,	-		
Cox, Ross, Columbia River,	-	1	
Chataubriand De S. A. Greece, Palestine, &c.	-	2	
Campbell, T. letters from the South,	-	2	
Clapperton's expedition interior of Africa,	-	1	
Constantinople and Environs,	-	2	
Colton's travels in Greece,	-	2	
Chalmer's T. works,	-	1	
Cowper's works,	-	1	
Conspiracies, History of,	-	2	
Convents,	-	2	
Cooper, J. F. Novels of,	-	26	
Spy,	-	2	1 2
Pioneers,	-	2	
Lionel Lincoln,	-	2	
Last of the Mohicans,	-	2	
Prairie,	-	2	
Red Rover,	-	2	
Wept of, Wishton Wish,	-	2	1 2

	NO. VOLS.	MISSING.
Water Witch,	2	1 2
Bravo,	2	
Traveling Bachelor,	2	
Hidenmaur,	2	
Hedsman,	2	
Pilot,	2	
Confessions and Crimes,	1	
Chesterfield, P. D. letters of,	2	
Curiosities of Literature by De Graile,	5	
Carey's Library of Choice Literature,	2	
Campaign, twelve months,	1	
Conversations with Lord Byron,	1	
Combe, Foster, and Mr. Nash's works,	1	
Classical Antiquities,	1	
Clerical manners and habits,	1	
Combe's works,	3	
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Henderson's Journal,	-	-	1	
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Condition of Women,	-	-	2	2
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The Fortunes of Nigel,	-	-	2
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Mansfield's Political Grammer, - - -	-	-	-	1
Scott's Poetical works, - - -	-	-	-	1
T. Moore's Poetical works, - - -	-	-	-	1
Cowper and Thompson, - - -	-	-	-	1
British Drama, 2nd vol. - - -	-	-	-	1
Burn's Poems, - - -	-	-	-	1
Hemans, Heber and Pollock, - - -	-	-	-	1
Jefferson's Notes on Virginia, - - -	-	-	-	1

Lexicon of Useful Knowledge,	-	-	-	-	1
Gillie's Greece, 1 vol.	-	-	-	-	1
Murphey's Tacitus, vol. 4,	-	-	-	-	1
Reese's Cyclopedia, 17,	-	-	-	-	1
Jefferson's writings, 4,	-	-	-	-	1
Gibbon's R. Empire, 8vo. edition, 2,	-	-	-	-	1
Burke's Works, vols. 1, 2, 8,	-	-	-	-	3
Dick's Improvement in Society,	-	-	-	-	1
Sparks, A. Biography, 1,	-	-	-	-	1

Of the Family Library the following:

No. 1.	Walman's history of the Jews, 1st vol.	-	-	-	1
4.	Lockhart's Bonaparte, 1,	-	-	-	1
26.	Life of Isaac Newton,	-	-	-	1
13.	History of the Bible, 2,	-	-	-	1
29.	Court and Camp of Bonaparte,	-	-	-	1
34.	Memoir of Female Sovereigns, 2,	-	-	-	1
35, 36.	Lardner's Africa, 1, 2,	-	-	-	2
37.	Intellectual Poems, 1,	-	-	-	1
38.	Lives of celebrated Travellers, 1,	-	-	-	1
47.	History of India, 1,	-	-	-	1
53.	Discoveries on the Northern coast of America, 1,	-	-	-	1
61.	Nubia and Abyssinia, 1,	-	-	-	1
71.	Natural history of Insects, 1,	-	-	-	1
75, 76.	Life of Washington,	-	-	-	2
79.	History of Italy,	-	-	-	1
80.	History of China,	-	-	-	1

Virgil, 1 vol,	-	-	-	-	1
Cicero, 1,	-	-	-	-	1
Horace, 2,	-	-	-	-	1
Orations of Demosthenes,	-	-	-	-	1
Harris and Johnson's Reports,	-	-	-	-	1
Gill and Johnson,	-	-	-	-	1
Leigh, B. W.	-	-	-	-	5
Comyn's Reports,	-	-	-	-	1
Morehead and Brown's Digest,	-	-	-	-	2
Story's Commentaries on the Constitution, 2, 3,	-	-	-	-	2
Edgeworth's works, 3, 10,	-	-	-	-	2
British Poets, 20,	-	-	-	-	1

Athenæum, 6,	-	-	-	-	-	1
N. E. Magazine, 6,	-	-	-	-	-	1
Foreign Review, 1, 4,	-	-	-	-	-	2
Eloquence of U. States, 5,	-	-	-	-	-	1
Niles' Register, 10, 20, 23, 42,	-	-	-	-	-	4
Bride of Lammermoore, 1, 2,	-	-	-	-	-	2
Legends of Montrose, 1, 2,	-	-	-	-	-	2
Antiquary, 2 vol,	-	-	-	-	-	1
Crusades, 2, 4,	-	-	-	-	-	2
Peveril of the Peak, 3d,	-	-	-	-	-	1
Travelling Bachelor, 2nd,	-	-	-	-	-	1
Universal History, 1, 2,	-	-	-	-	-	2
Curiosities of Literature, first series, 3,	-	-	-	-	-	1
“ “ second series, 1,	-	-	-	-	-	1
Upham's Mental Philosophy, vol. 1,	-	-	-	-	-	1
Annals of Education for '39,	-	-	-	-	-	1
Sketch Book,	-	-	-	-	-	1
Abbott,	-	-	-	-	-	2
Quenten Derward,	-	-	-	-	-	2
Maid of Perth,	-	-	-	-	-	2
Geristeen,	-	-	-	-	-	2
Gil Blas,	-	-	-	-	-	1
British Spy,	-	-	-	-	-	2
Pirate,	-	-	-	-	-	2
Headsman,	-	-	-	-	-	2
Bravo,	-	-	-	-	-	2
Prairie,	-	-	-	-	-	2
Henry's Chemistry,	-	-	-	-	-	2

The following Books are found in the Report of the Secretary, but are not found in the Library. It is said that they have not arrived.

Anderson's history of commerce,	-	-	-	4
Anacharsis' Travels,	-	-	-	2
Ashe's travels in the United States,	-	-	-	1
De Lolme on Constitution of England,	-	-	-	1
Dodsley's Annual Register,	-	-	-	71
Froissait's Chronicle,	-	-	-	2
Grey's Debates in House of Commons,	-	-	-	10
Guthrie's history of Scotland,	-	-	-	10
Hallam's Const. history of England,	-	-	-	3
Hansard's Parliamentary history of England,	-	-	-	36
Historical Register,	-	-	-	21
Ben. Johnson's works,	-	-	-	1

MISSING.

Mitford's history of Greece,	-	-	-	-	8
Proud's Pennsylvania,	-	-	-	-	2
Smith's New-York,	-	-	-	-	2
Collection of Parliamentary Debates,		-	-	-	22
Reports of Committees of <i>House of Commons</i> ,		-	-	-	16
Hargrave's State Trials,		-	-	-	11
Guthrie and Gray's history of the World,		-	-	-	13
Ker's Collection of Voyages,		-	-	-	18



REPORT

OF THE

AUDITOR OF PUBLIC ACCOUNTS,

IN RELATION TO

THE MICHIGAN ROAD LANDS,

PRESENTED

TO THE GENERAL ASSEMBLY.

AUDITOR'S OFFICE,
February 5, 1841. }

HON. SAMUEL JUDAH,

Speaker of the House of Representatives:

SIR—

representatives.

Please lay the enclosed Report before the House of Representatives.

Respectfully,

M. MORRIS, A. P. A.

AUDITOR'S OFFICE,
February 5, 1841. }

In pursuance of the "Act to provide for the sale of the Michigan Road Lands remaining unsold, and for other purposes," approved February 24, 1840. (See page 73, of General Laws of 1840.) The Auditor submits the following report:

That he has had carefully compared under his immediate superintendence, the original Tract books and maps of Michigan Road Lands, with the certificates of title made by the President of the United States, to the State of Indiana, on account of the Michigan Road grant. After the most careful comparison, it is found, that each tract ceded by the General Government as Michigan Road Lands, has been offered for sale, and that no tract as was supposed at the passage of the act above referred to, remained unoffered. This fact having been ascertained, the Commissioners appointed to sell any such overlooked or unoffered tract, refused to qualify. By reference to the record of the certificates of the United States for Michigan Road purposes, it appears that the whole Michigan Road grant, is 170,414 42-100 acres, and that the whole quantity granted to the State, and entered in the Tract books of the Road Commissioner, is 170,580 24-100 acres, showing that 165 82-100 acres more have been granted, and for which the General Government has given certificates to the State, than was due her. There remains to be sold 330 28-100 acres, which may be estimated as lost land, perhaps one tract of 110 acres may sell for 50 cents per acre, but the residue and most of this tract lie in Tamarac swamps. The certificates of title from the General Government have all been recorded in the *original* Tract book of the Michigan Road Commissioner which, with all the papers of his office are deposited in this office.

According to the requirements of the 5th section of the act, first above recited, the Auditor submits the following as the discrepancies between the register of sales kept by the Road Commissioner, and the Register of Patents kept by the Secretary, viz:

Patent No. 31, to T. E. Stanton, is for the west half, south west quarter, of section 14, town. 14, range 3 west, it should be for range 2 west.

Patent No. 589, issued to George Crawford, should be No. 689.

Patent No. 527, to Samuel Goode for east half, north east section 5, town. 36, range 2 east, should be for east half, north west qr.

Patent No. 344, should be numbered 343:

Patent No. 985, should be numbered 986.

Patent No. 116, to John Hague, for west fraction, north east quarter, section 15, township 38, range 13, should be for range 1, west.

Patent No. 117, to John Hague for east half, south west qr. section 15, township 38, range 1 east, should be in range 1 west.

Patent No. 728, should be No. 928.

Patent No. 375, twice issued, first to Simon Arnold as assignee of Daniel Clarey, for east half, north west fractional quarter 33, town. 28, range 5 east.

2d to John Clarey assignee of Daniel Clarey, for same land, date of first patent, first of March 1833. Date of 2nd, October 2, 1834.

- Patent No. 774, to John Moot's assignee of Thomas Sheridan, for west half, north east qr. section 31, township 37, range 1, west, 70 30-100 acres, should be for 112 49-100 acres.
- Patent No. 775, to John Moot's assignee of Thomas Sheridan, is for east half, north east quarter, section 31, township 37, range 1, west, should be for north half of south east fraction east Michigan Road, section 32, Indian lands.
- Patent No. 925, to Joseph Rorer, should be No. 929.
- Patent No. 1515, to William Bell, for west half, north west quarter, section 10, town. 36, range 2 east, should be for west half, north east quarter
- Patent No. 1737, to Jacob Vernon is for south half, south east quarter, section 33, town. 37, range 4, west, should be for south half, north east quarter.
- Patent No. 1040, to Phineas Hunt, is for west half, north west quarter, section 8, town. 37, range 2, west, should be for west half, north east quarter.
- Patent No. 964, to John Crisse for south half, south east fractional section 26, town. 32, range 2, east, should be town. 38.
- Patent No. 1827, to George W. Allen, for west half, north west quarter, section 27, town. 36, range 3, west, should be for west half, north east quarter.
- Patent No. 1826, to George W. Allen, for east half, north west quarter, section 27, town. 36, range 3, west, should be for east half, north east quarter.
- Patent No. 583, to Henry F. Janes, for west half, north east quarter, section 13, town. 37, range 3, west, should be range 2, west.
- Patent No. 1364, to William Ferguson, should be number 1363.
- Patent No. 650, to John Walker, for east half, south west quarter, section 23, town. 36, range 3, west, should be for section 22.
- Patent No. 1753, to John Egbert, for east half, north east quarter, section 20, town. 38, range 1, west, should be for range 1, east.
- Patent No. 1925, to Watson Monteeth, should be No. 1915.
- Patent No. 1966, to Joseph Gamble, for west half, south east quarter, section 13, town. 28, range 5, east, should be for sec. 28.
- Patent No. 1956, to David Mount, should be 1954.
- Patent No. 1419, to Nathan Johnson, should be No. 1412.
- Patent No. 501, to Orrin Wickliff, for west half, south west quarter, section 5, town. 36, range 3, west, should be for west half, south east quarter.
- Patent No. 1169, to Thomas E. Stanton, for west half, south west quarter, section 4, town. 37, range 4, west, should be for range 3, west.
- Patent No. 1523, to Jeremiah L. Williamson, should be No. 1223.
- Patent No. 1951, to Henry Pate, should be No. 1991.
- Patent No. 1940, to Miller & Stirlin, should be No. 1960.
- Patent No. 337, to William Spaulding, for west half, south west quarter, section 22, town. 36, range 3, east, should be range 3, west.
- Patent No. 1850, to Henry K. Stephens, for east half, south west quarter, section 22, town. 35, range 5, east, should be range 5, west.

- Patent No. 1847, to James Laughlen, for west half, north east quarter, section 22, town. 35, range 5, east, should be range 5, west.
- Patent No. 1304, to John Brown, for east half, north east quarter, section 36, town. 38, range 4, east, should be range 5, west.
- Patent No. 1320, is twice Patented to Joseph Wyatt.
- “ “ 1519, to Amer Boid, should be No. 1579.
- “ “ 1894, to James Laughlin, for east half, north east quarter, section 22, town. 35, range 5, east, should be range 5, west.
- “ “ 2000, to John Elder, for north half, south west quarter, section 15, town. 36, range 2, west, should be range 2, east.
- “ “ 605, is Patented twice to W. G. & G. W. Ewing.
- “ “ 969, to John Johnson, for west half, south west quarter, section 3, town. 37, range 3, east, should be range 3, west.
- “ “ 63, to John Robbins, east half, south west quarter, section 10, town. 25, range 2, west, no such Michigan Road Land.
- “ “ 63, correctly Patented to William M'Cartney, for west half, north west quarter, section 29, town. 37, range 1, west, Nov. 28, 1834.
- “ “ 661, to David Turner, for west half, south east quarter, section 36, town. 35, range 3, west, should be section 35, town. 36.
- “ “ 662, to David Turner, east half, south west quarter, section 36, town. 35, range 3, west, should be section 35, town. 36.
- “ “ 663, to David Turner, for west half, south west quarter, section 36, town. 35, range 3, west, should be section 35, town. 36.
- “ “ 2054, to William Waugh, for south fract. section 12, town. 33, range 6, east, should be south fract. south west quarter, west Ind. boundary.
- “ “ 2010, to Johnson Watts, for south east quarter, section 24, town. 29, range 6, east, should be section 29.
- “ “ 1997, to Reuben Monday, should be No. 1977.
- “ “ 1997, to Solomon Hoover, for east half, south west quarter, section 26, town. 29, range 4, east, should be range 6, east.
- “ “ 1996, to Solomon Hoover, for north east quarter, section 34, town. 29, range 4, east, should be range 6, east.
- “ “ 9, twice Patented, 1st to Isaac Vail's heirs without number, 2nd, as No. 9, to Isaac Vail. Description of land and number are correct.
- “ “ 626, to George Belshaw, for east half, south west quarter, section 13, town. 37, range 1, west, should be range 2, west.
- “ “ 851, to George Belshaw, for west half, south west quarter, section 13, town. 37, range 1, east, should be range 2, west.
- “ “ 850, to George Belshaw, for east half, south west quarter, section 13, town. 37, range 1, west, should be range 2, west.

- Patent No. 1143, to John Walker, for south half, south west fractional section 31, Indian land, should be section 30.
- “ “ 1694, to E. Tyler, and William Wright, assignee of Andrew Burnside, 18th October, 1839.
- “ “ 1694, to J. W. and Daniel W. Hibbard, assignees of Andrew Burnside, February 12, 1840.
- “ “ 1695, to H. B. Hibbard, by Isaac Corless, assignee, 18th October, 1839.
- “ “ 1695, to W. H. and Daniel Hibbard, February 12, 1840.
- “ “ 2057, to William Barbec, south half, west frac. section 14, town. 33, range 6, east, should be east half, west frac.
- “ “ 1878, to J. B. Niles, and others, east half, south east quarter, section 23, town. 35, range 6, west, should be range 6, east.
- “ “ 1879, to J. B. Nile, J. Matthews and C. Fletcher, west half, south east quarter, section 23, town. 35, range 6, west, should be range 6, east.
- “ “ 1727, to George Caldwell, for north half, south west fract. section 41, Indian land, should be north half, north west fract.
- “ “ 1144, to Steenbarger and Allen, should be No. 1744.

By the foregoing list of errors, it appears that 64 Patents have been issued for Michigan Road Lands, in which there are errors in either the number of the Patent or the description of the land, or in having been patented twice for the same land.

In this comparison, it will be seen that the original register of sales and tract book of the Commissioner of Michigan Road, now on deposit in this office, has been taken as the best authority, and where the Secretary's register of Patents disagreed with these, it has been set down as incorrect.

It is respectfully suggested, that a register should be opened for Michigan Road Lands in the Secretary's office, in such form as to show the Patents issued, numerically, the date of the purchase, the date of the Patent, the original purchasers name, the name of the patentee, the number of acres, and description of land as described in the certificate. If thus registered, it will prevent the issue of two or more Patents being issued for the same land, and consequently should certificates have been forged, it will detect such forgery, besides it will show at once what certificates are patented, and what are yet outstanding.

In conclusion it is further suggested, respectfully, whether it would not prevent much future difficulty, to have the errors corrected as speedily as possible.

Appended to this Report is a list of the *numbers* of certificates to purchasers of Michigan Road Lands, which have not been presented to the Secretary's office for Patents, which list is marked A.

Respectfully submitted,

M. MORRIS, A. P. A.

164	571	746	943	1119	1246	1400	1557	1757	1843	1903	2046
165	494	747	944	1121	1247	1401	1563	1758	1844	1904	2059
204	595	748	952	1122	1251	1402	1564	1759	1845	1905	2065
210	598	749	954	1123	1253	1403	1574	1760	1846	1907	
225	599	750	955	1124	1254	1404	1578	1761	1848	1908	
268	600	751	956	1125	1265	1405	1582	1765	1851	1909	
329	601	753	957	1126	1271	1406	1601	1766	1854	1910	
332	602	754	970	1127	1273	1410	1610	1770	1855	1911	
344	603	759	981	1128	1274	1411	1611	1774	1856	1912	
385	608	760	982	1130	1275	1414	1618	1775	1857	1913	
398	611	762	986	1133	1276	1415	1619	1776	1858	1914	
399	612	777	993	1134	1277	1419	1621	1777	1859	1927	
420	617	782	1000	1135	1278	1420	1622	1778	1860	1933	
438	627	791	1019	1142	1279	1423	1641	1779	1861	1934	
439	629	793	1020	1145	1280	1424	1642	1780	1862	1935	

REPORT
OF THE
FUND COMMISSIONER,
IN RELATION TO
THE STATE BONDS.

OFFICE BOARD FUND COMMISSIONERS, }
Indianapolis, February 10, 1841. }

HON. SAMUEL JUDAH,

Speaker of the House of Representatives:

SIR—

The following questions have been propounded to me by the House of Representatives over which you preside, in a resolution as follows:

Resolved, That Milton Stapp, Esq. Fund Commissioner be requested to lay before this House, at as early a day as convenient.

1st. A table showing the amount of State Bonds sold, to whom sold, and on what terms, that have been paid for according to contract.

2d. The amount of Bonds parted with, to whom, and on what terms, which have not been paid for according to contract.

3d. The amount of Bonds that have been hypothecated, to whom, and on what terms, how much has been received on the hypothecation, and to what use it has been applied.

4th. The amount of the suspended debt, upon which there is no security, and from whom it is due.

5th. The amount of the suspended debt, upon which there is security, a list of the securities, with present cash value attached to each respectively, (please attach some specific value to each of these securities.)

6th. The cash value of the stock of the Morris Canal and Banking Company, and the cash value of all other stocks held by Indiana as collateral securities, (specific cash values are requested.)

7th. What amount of Bonds have passed into the possession of the United States Bank of Pennsylvania.

8th. Were you induced to believe by the Morris Canal and Banking Company, in your stock negotiations with them, that the United States Bank of Pennsylvania was in any way either equitably or legally bound to sustain that institution in said negotiation or any of them; if so, state the circumstances.

9th. In its negotiations with you, and with other Fund Commissioners of Indiana, in the purchase of State Stocks, do you know or have you reason to believe that the Morris Canal and Banking Company, was the agent of, or in any way connected with the United States Bank of Pennsylvania.

10th. Do you know or believe, that the securities taken from the Morris Canal and Banking Company, by yourself or any of your predecessors or associates, were derived from, or furnished by the United States Bank of Pennsylvania.

11th. What amount of Bonds have been sold, or in any manner parted with for the payment of interest since 1836? What is the whole amount of interest paid on the public debt since that date; and the annual and aggregate amount of interest paid out, and to be paid from 1836 to 1841, inclusive?

12th. How can the interest for 1841, be met?

These questions I proceed to answer from the best light before me.

1st. The amount of State Bonds issued by the State of Indiana, to whom sold, and on what terms sold, and which have been paid for, will be found in the accompanying abstract A.

2nd. The amount of Bonds parted with, &c. which have not been paid for will also be found in abstract A.

3d. During the summer and fall, and for the payment of July and January interest, I hypothecated \$600,000 of Bonds, to borrow \$300,000, and have since paid \$30,000, and redeemed \$60,000 of the hypothecated bonds. The Bonds now out were hypothecated,

1st. Through Drew, Robinson and Co. for	\$134,000
2d. Through John J. Palmer, President, for	45,000
3d. Through M. B. Sherwood, President, for	91,000

The amount still due is, \$270,000

On the hypothecation of \$540,000 of Bonds. It is understood, that Bonds hypothecated by the first, are in the American Exchange Bank. By the second in the Merchants Bank; and by the third in the Leather Manufacturers and Lafayette Bank; all respectable Banks in the City of New York.

4th. There is none of the suspended debt without some security; or that which was taken for security.

5th. It is not very easy to put a cash value upon property in these times of depression, we believe our own stocks worth par; yet we see them selling for 65 cents to the dollar.

I do not know that I can throw more light on the subject, than I have already done in my report of the 31st of October last. I, at that time endeavored to give my opinion of the worth of the securities so far as I reported them, and that opinion is yet unchanged—and yet I must confess, that that opinion is in part based upon the opinion of others—for instance, the securities taken by Mr. Merrill, and reported by me, I put down at the value (or nearly so,) put upon them by that gentleman; the exhibit of the suspended debt will be found set forth in abstract B. together with the securities, and the value fixed upon them.

6th. The cash value of the stock of the Morris Canal and Banking Co. is from 10 to 15 cents to the dollar of the amount paid in. The State of Indiana has none of this stock; the amount due her as deducted as well as all other liabilities from the assets of the institution, before the price of the stock is valued. The balance of the question is answered by abstract B.

7th. I have no means of ascertaining the amount of Bonds that passed into the hands of the Bank of the United States of Pennsylvania. Nor do I know of any, except \$300,000 of Informal Bonds, which I understood from both parties was the case.

8th. I never was induced by the Morris Canal and Banking Company, to believe that the Bank of the United States was bound either legally or equitably to sustain that institution in her negotiations. I once thought, that might be the case, but having no evidence to sustain me in the opinion, I was forced to abandon it.

9th. I have no reason to believe the Morris Canal and Banking Company was the agent of the Bank of the United States of Pennsylvania, in any negotiations with the Fund Commissioners of Indiana.

10th. I do not know nor do I believe that any of the securities given to me or any other person for the State of Indiana by the Morris Canal and Banking Company, was furnished by the Bank of the United States.

11th. I have no knowledge of any bonds having been sold for the specific purpose of paying interest on State Bonds since 1836, but interest has been paid from proceeds of the sale of Bonds since that time, to the amount of say, \$351,553 95.

The whole amount of interest paid on State Bonds, including exchange, &c. incidental thereto, since 1836 inclusive, is as follows:

In 1836,	\$34,228 05
In 1837,	94,850 04
In 1838,	179,089 13
In 1839,	339,019 70
In 1840,	460,245 55

Making an aggregate of, \$1,107,432 47

12th. It is difficult for me now to tell how the interest for 1841, can be met. In my report of 31st October last, I recommended a financial system which, had it been adopted, would I believe have enabled us to meet our interest for 1841—to said document I would now most respectfully refer you.

Very respectfully,

MILTON STAPP.

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ABSTRACT A.

Exhibiting the date and amount of Bonds sold or parted with, to whom sold, rate of interest, rate of sale, for what purposes sold, proceeds of sale, amount received, amount yet due.

Date of Bond.	Amount.	To whom sold.	Rate of Interest.	Rate of sale.	For what purpose sold.	Proceeds of sale.	Amount received.	Amount yet due.
1st July, 1832	100,000 00	J. D. Beers & Company,	6 per cent.	\$ 113 26	Wabash & Erie canal,	\$ 113,260 00	113,260 00	
" " 1834	500,	Prime, Ward, & Kings,	"	101 03	State Bank,	505,250 00	505,250 00	
" Jan'y. 1835	300,	same,	"	102 03	Wabash and Erie canal,	306,150 00	306,150 00	
" July, "	65,257 42	Secretary of War,	"	107	same,	69,825 44	69,825 44	
" " "	200,	J. J. Cohen, jun. & Brother,	"	105	same,	210,	210,	
" " "	100,	same,	"	104 50	State Bank,	418,	418,	
" " "	50,	Prime, Ward, & Kings,	"	104 50	same,	52,250 00	52,250 00	
" " "	40,	same,	"	105	Wabash and Erie canal,	42,	42,	
" " 1836	100,	J. J. Cohen, jun. and Brother,	"	100	same,	100,	100,	
" " "	2,742 58	Secretary of War,	"	107	same,	2,934 56	2,934 56	
" " "	440,	Thos. Biddle & Co. & M. C. & B. Co.	"	101	State Bank,	444,400 00	444,400 00	
" " "	400,	J. J. Cohen, jun. & Brother,	"	100	Internal Improvement,	400,	400,	
" " "	150,	T. Biddle & Co., & M. Canal & B. Co.	"	101	same,	454,500 00	454,500 00	
" " "	139,	same,	"	101	Wabash and Erie canal,	140,390 00	140,390 00	
" " "	100,	Lawrenceburgh and Indianapolis Rail Road Co.	"	100	Law. & Indianapolis Rail Road,	100,	100,	
" " 1837	30,	Christmas, Livingston, & Company,	"	100	Wabash and Erie canal,	30,	30,	
" " "	350,	Morris Canal & Banking Co.	"	102	same,	357,	357,	
" " "	400,	same,	"	100	Internal Improvement,	400,	400,	
" " "	1,030,000 00	same,	"	102	same,	1,071,000 00	1,071,000 00	
" " "	200,	same,	"	103	same,	206,	206,	
" " "	121,	Lawrenceburgh and Indianapolis Rail Road Co.	"	100	Law. & Indianapolis Rail Road,	121,	121,	
" " 1838	40,	Staten Island Whaling Co.	"	100	Internal Improvement,	40,	40,	
" " "	300,	Western Bank of New York,	"	100	same,	300,	60,	240,000 00
" " "	100,	Erie County Bank,	"	100	same,	100,	100,	
" " "	100,	Detroit & Pontiac R. R. co.,	"	100	same,	100,	10,	90,
" " "	60,	Staten Island Whaling co.	"	100	same,	60,	60,	
" " "	1,000,000 00	Morris Canal and Banking co.,	5 Sterling.	100	same,	1,000,000 00	1,000,000 00	
" " "	200,	same,	"	90	same,	180,	180,	
" " 1839	400,	same,	"	90	Wabash and Erie canal,	360,	207,724 20	152,275 80
" " "	1,000,000 00	same,	5 Ster.	98	State Bank,	980,	20,	960,
" " "	300,	same,	"	100	Internal Improvement,	800,		
" " "	200,	same,	"	98	same,	196,		
" " "	232,	same,	"	83	same,	204,160 00	728,652 72	1,273,107 28
" " "	350,	same,	"	88	same,	334,400 00		
" " "	190,	same,	"	88	same,	167,200 00		
" " "	300,	same,	5 Ster.	100	same,	300,		
" " "	20,	Binghampton Bank,	"	88	same,	17,600 00	17,600 00	
" " "	294,	Branches of State Bank,	"	100	4th Inst. U. S. Surplus Revenue,	294,	294,	
" " "	200,	Merchant's Exchange Bank,	"	96	Internal Improvement,	192,		192,
" " "	33,	Bank of Commerce,	"	96	same,	33,600 00		33,600 00
" " "	47,	Bank of North America,	"	88	same,	41,360 00	1,360 00	40,
" " "	221,000 00	Madison Company,	"	88	same,	194,480 00	139,435 37	55,044 63
	\$11,557,000 00					\$11,438,760 00	\$8,342,732 29	\$ 3,096,027 71

SUMMARY.

	There has been sold and parted with, in all,			
6,925,000 00	On account of General System of Internal Improvements,	6,792,300 00	4,808,548 09	1,983,751 91
1,747,000 00	" " Wabash and Erie Canal,	1,731,560 00	1,579,384 20	152,275 80
2,290,000 00	" " State Bank, for Banking purposes,	2,399,900 00	1,439,900 00	960,000 00
221,000 00	" " Lawrenceburgh and Indianapolis Rail Road,	221,000 00	221,000 00	
294,000 00	" " 4th Instalment of United States Surplus Revenue,	294,000 00	294,000 00	
\$11,557,000 00		\$11,438,760 00	\$8,342,732 29	\$3,096,027 71

*\$297,564 73 of this sum was the amount of the compromise with the Messrs. Cohens and Josephs, for which property consisting of Bond and Mortgage for \$66,300; and other property for \$231,264 73 was taken. This property by reason of expenditures for the redemption of mortgages and incumbrances on a portion of the property—has cost the State \$394,369 60, and consists in the following:

- 1st. Bonds and mortgages for \$108,300.
- 2d. Bloomingdale property 256 lots and 123 water lots between 65 & 67 streets, and 10 and 13 avenues in the 12th Ward of the city of New York.
- 3d Eighth avenue property, 182 lots on the 8th avenue, 89, 90, 97, and 98 streets in the city of New York.
- 4th. Brooklyn property, 52 lots including water lots between Gold street and the lands of Mathias Bruen and Plymouth street and the East river, in the city of Brooklyn, with the Sperm factory fixtures, &c. thereon.
- 5th. 14 acres of land in the city of Poughkeepsie, above New York.
- 6th. 751 shares of Baltimore and Ohio Rail Road stock at \$100 each.
- 7th. An assignment of an attachment for \$50,000 on 1500 shares of Life & Trust company stock, 500 shares of Gen. Insurance stock, and 230 of Canton stock.
- 8th. All the right, title, and interest of the Josephs in the George's Coal and Mining Co., on which they have paid \$1,000.

§For the amount of bonds sold to the Lawrenceburgh and Indianapolis rail road Company, the State received the bonds and mortgages of the individual members of said Company.

¶These Bonds are to be returned to the Fund Commissioners, (a portion of which have been returned.

†Of the sum of \$1,273,107 28 due on sales and bonds parted with to the Morris Canal and Banking Company—there is due from the Morris Canal & Banking Company, \$1,034,117 03
 Erie county Bank, " " " " 130,290 25
 Bank of Commerce, " " " " 48,000 00
 Binghampton Bank, " " " " 60,700 00
 1,273,107 28

NOTE.—The whole amount of the suspended debt is \$3,490,397 31, which includes the whole amount due on State Bonds sold and parted with, together with the cost of the compromise property as described above.

NOTE.—The whole amount of State indebtedness is as follows, to-wit:
 State Bonds sold and parted with, " " \$11,557,000 00
 Amount of Treasury notes issued prior to 31 Oct., 1840, " " 1,289,000 00
 " " " " since that date, " " 51,400 00
 due the State Bank, exclusive of interest, " " 641,461 04
 Total amount, " " \$13,538,861 04



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ABSTRACT B.

Exhibiting the Suspended Debt and the securities to the same.

		SUSPENDED DEBT.
Morris Canal and Banking Company,—Debt and Interest to 1st January, 1841,	\$1,879,785 20	
same Bonds to be returned,	490,000 00	2,369,785 20
Securities are—650 Shares Stock of Planter's Bank, Mobile, par value \$65,000; worth	40,000	
74 do of Bank Mobile, par value, 7,400; worth	7,400	
50 do of Merchant's Bank of Mississippi, par value 5,000; worth not known,		
13,600 do of Little Schuylkill and Susquehanna Rail Road Co., par value \$680,000; worth	230,000	
181,000 Stock Appalachicola Land Co., worth	181,000	
40,000 do Mississippi and Arkansas Land Co., worth	40,000	
Pier and Wharf at Jersey City—Cost \$110,000; worth	80,000	
Undivided third part of 210 Lots in Jersey City; worth	50,000	
North American Trust and Banking Co., Certificates of Deposit; worth	195,000	
Harlem Rail Road Co., 7 per cent. bonds; worth	22,000	
Beaver Meadow Rail Road Stock; worth	100,000	
Bond for Iron; worth	300,000	
D. B. Holbrook's bond for the return of Sterling Bonds—Secured by Morristown valley Rail Road Stocks; worth	87,121	
Bonds of Simeon Draper for return of Indiana Bonds; worth	25,000	
Doroner & Steinhouse notes for	10,000	
Other notes and judgments,	21,000	
250 Canal Boats,	52,500	
Mortgage on Morris Canal,	1,250,000	
Amount of securities to the debt due from the Morris Canal and Banking Company,	2,694,021	
Western Bank of New York,		240,000 00
Securities are—The Georgia Lumber Company, with all its individual stockholders and a very large tract of land and mills owned by said company in Georgia, (value not known.)		
do Pontiac Rail Road Company,		90,000 00
do Pontiac Bank and Merchant's Exchange Bank of Buffalo,		
do Erie County Bank—with interest,		141,573 40
do Bond and Mortgage for \$100,000,	100,000 00	
do Binghampton Bank,		60,700 00
do Dwight Danforth & C. L. Cole,		
do Bank of Commerce,		81,600 00
do The estate of Hiram Pratt—said to be good,		
do Also \$35,000 of Stock of Bank of Buffalo; worth	25,000 00	
do Bank of North America & H. Roop,		40,000 00
do \$40,000 Stock in the Bank worth \$20,000 together with real estate in Buffalo worth \$30,000; worth in all	50,000 00	
do Staten Island Whaling Company,		
do \$60,000 Stock Staten Island Bank; worth \$30,000	30,000 00	
do Compromise property—including bonds and mortgages of Cohens and others,		394,369 60
do Oil factory lots in Brooklyn, New-York, &c, exhibited in detail in Abstract A, of the value of which I can give no idea. All my predecessors say it is amply secured, and in that are sustained by many citizens of New-York who ought to know, but with them I cannot agree.		



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ANNUAL REPORT

OF THE

BOARD OF INTERNAL IMPROVEMENT

OF THE

STATE OF INDIANA.

INDIANAPOLIS;

DOUGLASS & NOEL, PRINTERS.

1840.



REPORT.

OFFICE OF BOARD INT. IMP.

Indianapolis, Nov. 30, 1840.

To the General Assembly of the State of Indiana.

The State Board of Internal Improvement, as constituted by the act of the last session dissolving the one previously organized, have the honor of submitting the fifth annual report.

N. Noble, the President of the former Board, and Jesse L. Williams, Chief Engineer, the officers named in the act alluded to as the members of the new Board, met at the Seat of Government on the 16th day of March, to enter upon the new duties prescribed for them, and to perform generally, the other duties imposed upon the State Board.

In looking through the provisions of the new act to ascertain what incipient steps were required of them, some surprise was excited to find it exacted nothing in the shape of an official oath, nor the usual official bonds with securities for the protection of the public. This unusual omission was no doubt caused by haste or oversight in legislation, but no matter from what cause, the omission as regards the bond, it was supposed, could not be supplied and carry a binding influence upon securities, and therefore, none were executed. The deficiency, as relates to the oath of office, was supplied by the administration of the oath required by the 1st sec. of the 11th Art. of the State Constitution, by the Hon. Isaac Blackford. After these preliminary steps, N. Noble was appointed President, and the Board proceeded to business.

Jesse L. Williams was appointed Acting Commissioner for the Wabash and Erie Canal, the Erie and Michigan Canal, and to him was assigned, moreover, all duties relating to the sales, and collections, principal and interest, from the canal lands, from those disposed of at the former, and the approaching sales.

N. Noble was appointed the Acting Commissioner on the White-water Canal, the Southern and Northern Divisions of the Central Canal, the Cross-cut Canal, the Wabash Canal below Lafayette, the Madison and Indianapolis Rail Road, the Jeffersonville and Crawfordsville Road north of Greencastle and south of Salem, the Indianapolis and Lafayette Road north of Crawfordsville, the New Albany and Vincennes Road, and the Improvement at the Rapids of the Wabash.

The discharge, by the former Board, of the several corps of Engineers, except the four Residents, whose services could not be dispensed with until the settlements were closed on the lines, left but little for the new Board to do, in complying with that injunction of the

act. The officers retained, were then employed until the first of May in making the settlements required by law, and in reporting such property and expenditures as would form the basis of the damages to be made to contractors; after which they left the service.

After making all the reductions at all compatible with the public interests, the following officers and agents were appointed with the annual salaries named, which cover all travelling and other expenses:

Stearns Fisher, Res. Eng'r W. & Erie Canal at	\$1200 00
His two assistants each	- - - 800 00
J. Darrow, Sup't Repairs	- - - 900 00
H. C. Moore, Sup't Whitewater Canal	- 1000 00
T. A. Morris, Sup't Rail Road & N. Div. Cent. Can'l	1000 00
Sam'l Thomas, Sup't Rail Road Depot	- - 700 00

Although active operations had entirely ceased on most of the lines; the Board, nevertheless, in the long and tedious settlement of all accounts between the State and contractors, and between them and their creditors—in the selection, registering and sale of the new canal lands, and the collection of interest on former sales—in appointing arbitrators for the many boards organized to assess damages to contractors, and damages to lands—in looking to the appeal cases pending in the circuit courts—in superintending the unfinished jobs on several of the suspended lines, and in the prosecution of the Wabash and Erie Canal; have found their duties more arduous—requiring more travelling than in any former year. To all these important and delicate trusts, requiring attention at different points at the same time, they could not give their personal oversight, and had, necessarily, to commit some of them to the discretion and care of other agents.

For all that has been done relating to the payments made to contractors, and to the relinquishment of their work on the Erie and Michigan Canal, the Board beg permission to refer the Legislature to the report of Mr. Williams to the Board. From his report may also be ascertained the progress and condition of the Wabash and Erie Canal within our State; and to it they also refer for every information as respects the late selection and sale of the new canal lands, as well as to the payments made in principal and interest upon former sales.

From the report of Mr. Williams, and the papers accompanying it, the Legislature will perceive, no doubt with deep regret, that while the Wabash and Erie Canal is now fully ready for navigation from the State line to Lafayette, 140 miles, an outlet to lake Erie by the completion of the Ohio Division, cannot be anticipated earlier than the spring of 1842. In glancing over the legislation of that State, so far as it has come under our notice, there appears to have been an intention to progress with their portion of the work simultaneously, or nearly so, with the Indiana Division. The commencement of the canal was authorized sufficiently early, considering its comparative length, and liberal appropriations have been made from time to time. In the Executive communications also for the last six years, as well as in the reports of the Board of Public Works, sentiments favorable to

its prosecution have, uniformly, been expressed. Still there remains at this late period a large proportion of the work to be performed, probably as much as one-third of the original amount. Notwithstanding the favorable policy thus expressed by the highest authorities of the State, yet it must be apparent that the work has not progressed with that energy which has been customary, especially on works of so much general importance. It seems to be the concurrent testimony of all observing travellers who have passed over this route, that the *practical effort* for the actual construction of the canal, has not been proportioned to the importance and extent of the commercial interests depending upon this effort. That the State of Ohio with her great resources should require five years of uninterrupted operation, to construct 80 miles of canal, is calculated to excite surprise, even after making due allowance for the unhealthy location of the route. Whatever may have been the cause of the delay (which is not for us to inquire,) the State of Ohio now finds herself seriously in the way of the necessary commercial intercourse between different sections of the Union; presenting within her own territory, the only remaining obstruction in the great chain of water communication between the Wabash valley and the city of New York, to which the country has so long looked. And this state of things may appear the more surprising when it is recollected that Ohio, not less than Indiana, has been in full possession since the year 1834 of a donation of land for this canal, sufficient in value to cover more than half the cost, granted from the common property of the United States for the express purpose of forwarding the opening of this channel, and from the avails of which it would seem that the work might have progressed even through unpromising times.

The position in which the State of Ohio has suffered herself to be placed, probably without intending it, is as incompatible with her general character for enterprise and public spirit, as it is injurious and unjust towards her sister States. We look with interest to see if she will not promptly relieve herself from this position by putting forth one determined and vigorous effort, such as the case surely demands, for the immediate completion of this important thoroughfare.

For the proceedings had in the adjustment and payment of the dues from the State to contractors and others, in the assessment of damages to contractors on the relinquishment of their work to the State, and for every other particular connected with his duties and with the several lines falling under his care, the Board in like manner refer to Mr. Noble's report.

The work on the White Water Canal, as will be seen from his report, has not been surrendered in accordance with the terms proposed by the late act, the contractors preferring to wait until the State shall resume operations, that they may complete their jobs and enjoy the profits to be derived.

The contractors on the Rail-road also refused to relinquish their work, and resumed operations in the summer. So far as the Board are in possession of the inducements and means employed in conduct-

ing this work, they are these: As will appear from the reports of the Fund Commissioners, heretofore made to the Legislature, a company at Madison purchased five per cent. bonds to the amount of the special appropriation made at the previous session for the continuation of the Rail-road. That company relied, in part, upon future sales in the east, of the bonds purchased by them, to enable them to meet their payments, and did dispose of a portion of them, but after converting a small amount into currency, the demand for State stocks ceased, and the unsold bonds remained on their hands. Failing in their expected negotiations for the further sales of their bonds, the company proposed to pay the contractors part cash and part State bonds, which proposition being accepted, the contractors recommenced their work. These proceedings being unauthorised by the Board, the superintendent made a trip along the line in July to view the condition of the work; and, from the information derived from him, the Board felt constrained to assume the control, and adopted the following order on the subject, of which notice was given in the newspapers:

"The Board having under consideration the letter of M. Stapp, Esqr., Fund Commissioner, informing them that he had on hand \$60,000, with the further available sum of \$90,000 due from the Madison company who purchased the Rail-road bonds in October last:—Mr. Noble offered the following:

"The Legislature at the session before the last, having made a special appropriation of \$400,000 for the continuation of the Rail-road not applicable elsewhere, most of which is, and will be, available this fall; and having ascertained that the contractors, after refusing to suspend or relinquish their work, assembled several hundred hands during the month of July, and are going on with their old contracts without any supervision by the State, it is the opinion of the Board that it will be better to comply with their demands by sending an engineer to superintend the line, than to risk the many defects and imperfections to which the work must be liable from the want of skill or by design, in the construction of the foundations, masonry, &c. of the bridges and culverts, and which cannot be corrected hereafter, but at great loss and expense to the State, therefore

"*Resolved*, That the late Engineer, T. A. Morris, be directed to resume his duties on the road as an assistant to the Chief Engineer, with authority to overhaul the work done since the discharge of the corps, rejecting that which is imperfect; and also to take such notes and measurements as may be necessary to avoid difficulty hereafter in the accounts with contractors; and further, that said Engineer notify the contractors that, for their pay, they must look alone to the available proceeds of the debt due the State from the Madison company for the bonds sold them last fall."

Upon a comparison being made, discrepancies will seem to exist, in some instances, between the estimated amount of debts due to contractors, named in the last annual report, and the sums reported as paid them. Several causes conspire in making this difference: the

retained per centage has been paid, which, with the "relative value" fixed upon the work, as authorised and directed by the late law, are the chief causes. In the general settlement which has been made, every thing has been hunted up; and claims for office rent, fuel, stationary, and other contingent items, created under a former Board, have also tended to swell the amount under the head of contingencies.

That part of the report of Mr. Williams, giving the proceeds and the application of the funds arising from the sales of canal lands in October, shows that the cash then received was insufficient to pay the demands of the contractors on the Wabash and Erie canal who were required to go on with their work, and that there is an unsatisfied balance of \$86,587 47 due them and their creditors. The State having failed, from that source, to pay the contractors when they were required to proceed on their own means and credit, justice seems to claim a remuneration equal to that given to contractors and claimants on other lines—that of treasury notes—and the Board cannot well forbear to recommend it.

The Board found incorporated in an act of the session before the last, a duty required not properly belonging to them—that of presenting a view of our finances in the annual report; and the late Board complied with it to the extent of their means of obtaining correct information. The reasons supposed to have induced the exaction having ceased to operate, and the Board being entirely destitute of data on which to base such a view, they hope to be excused from the duty on the ground that the Board of Fund Commissioners will fully and satisfactorily supply the deficiency.

The relation in which the Board stand to the Legislature, would, under different circumstances, impose the task of suggesting some plan for the future progress of our works, a duty they would gladly perform; but the State having exhausted her former means upon so many objects, leaving all in an unfinished and unproductive condition, and having to contend with the evils of a general suspension, and with the decline of State securities, the Board, not being able to point to any present means or reliances, acknowledges their inability to present a plan for going forward. Whilst the Board, however, make this admission, they would not assent to any proposition, and would repudiate every suggestion, for an abandonment of the enterprise. To surrender all that has been done would end in ruin to the State, both as to her fortune and her fame. She cannot recede from her position, no matter how apparent may be her past errors; and she has no escape but to go onward until the advanced and more profitable lines are completed. Such a course, only, can ameliorate the burden of taxation to our citizens. There may be some delay, and more than will be agreeable to our convenience or patience; but if we remain true to our plighted honor, sooner or later we can obtain the means.

The Board in connexion with this subject beg leave to refer to a table prepared by the Chief Engineer in answer to a resolution of the House of Representatives of December 24, 1840, stating the sums re-

quired to complete the different works. (See Doc. Journal of last session, page 125.) By an examination of that document, it is evident that over 400 miles of the forward and most valuable works may be completed with an additional sum of two million of dollars; and with a further sum of a million and a half, 100 miles more may be completed. The expenditure of the further sum of the two millions mentioned, will render available an investment of some four millions now unproductive, and which cannot otherwise contribute to the relief of the tax-paying community.

The Board at the last session ventured the opinion that something might be accomplished by the associated wealth of our citizens, if permitted to construct one or more of the best works for our bonds; and they ask permission to repeat the suggestion as a safe and commendable policy, in the present state of things, if guarded with proper restrictions.

Whatever may be the conclusion of the Legislature as to other works, the improvement of the Rapids of the Wabash, under the joint superintendence and patronage of the State of Illinois and Indiana, is entitled to the early consideration of the General Assembly. Being an improvement of great value, when finished, as a common thoroughfare for the people of the two States, some provision should be made to complete it. By the substitution of timber for the stone locks first contemplated, the cost of the work may be greatly reduced.

Respectfully submitted,

N. NOBLE,

J. L. WILLIAMS.

N. NOBLE'S REPORT.

INDIANAPOLIS, Nov. 25, 1840.

To the State Board of Internal Improvement:

I have not been able until now, to present the report due from me as a member of the Board, and I regret that, in consequence of the diversified nature of my duties, and the numerous claims upon my time, at so many points, I have been prevented from submitting it by the 31st of October, the period contemplated by law.

In offering a brief specification of what has been done on each line committed to my care by the Board, I will first select the

NORTHERN DIVISION OF THE CENTRAL CANAL.

Conforming to the wishes and instructions of the Legislature of the last winter, as embodied in the two enactments of the month of December, directing the Board to settle with the contractors, giving them certificates for the balances found due, after deducting claims acknowledged to be due to others, steps were at once taken to accomplish that object. Upon this Division, whilst the Commissioner was engaged elsewhere, the settlement was commenced, prosecuted and closed under the oversight of the Resident Engineer, aided by clerks chosen by the Commissioner.

The liabilities of the State to contractors and the payments made on this Division, for the year ending October 31, may be seen in the general abstract appended to, and made a part of, this report.

Whilst the Legislature was in session, a breach, occasioned by the breaking up of the winter, happened at the *tumble*, or fall between the upper and lower levels of the basin at the seat of government; and a second one occurred at the Fall creek aqueduct late in the summer. At the latter point, no disaster of the kind was apprehended, nor has the cause been satisfactorily ascertained. The work at the dam on the Muncietown feeder line was left secure; and the dam at the Bluffs has been finished so as to preserve the large expenditure there, and bring the water power into use.

The contractors on this line have all accepted the compromise tendered by the law on that subject, by surrendering their work, and receiving, as a remuneration, the rate of damages proposed to them. The damages awarded and paid to them under that provision of the act, will be stated in the general abstract of damages paid to contractors.

SOUTHERN DIVISION OF THE CENTRAL CANAL.

The settlement of the claims of contractors on this Division was arranged in January by the Acting Commissioner, John A. Graham, Esq. and was continued and closed by him in the month of March. The abstract will exhibit the amount due, and since paid, for work performed on that Division.

The finished part of this line, from the Pigeon creek feeder to Evansville, being placed under the superintendence of a special agent last session, I have nothing to communicate to the Board as regards the accounts or the condition of that portion of this line, since the adjournment.

The contractors on this work likewise announced their assent to the offer of remuneration in damages for the relinquishment of their work, and requested an appointment of arbitrators to ascertain them. The board organized for that purpose, made their report giving in six cases the sum of \$19,576 71. Upon an examination of their report the Commissioner ascertained that the arbitrators had set aside the relative value fixed upon the work by the Engineer, and increased the allowances made to contractors by him, to the amount of \$15,768 10. Whilst the Commissioner would gladly have paid the contractors any reasonable allowance based upon the same principles and rates that other awards were made to contractors on other lines, he did not view the Board as clothed with powers, under the act, that would justify them in opening the accounts between the contractors and the State, and making increased allowances; and therefore appeals were taken to the circuit courts. For these reasons, no item of damages to contractors for work relinquished on this Division will appear in the general abstract. It is but proper to say, that on account of the complaints of the parties, the late Resident Engineer on the Cross Cut canal has been detailed to re-estimate the work.

WHITE WATER CANAL.

Owing to the comparative newness of the banks of this work, and having withstood the frosts and freshets of but one winter and spring since completed, some fears were yet entertained for their safety at the more exposed points: but the dreaded injuries have not been realized. Several small slips in low water have, however, occurred. At Lawrenceburgh it was found necessary to insert culverts under the main stem and lower bank, to protect the health of the place, and to obviate the excessive claims of damages for the lands overflowed by the embankment, in time of high water.

The tumbles, with the outlet for the water from the basin to the river, which were in progress at the time of the suspension, and the bridges over the pools of the dams, have all been finished.

To prevent the decay of the exposed and perishable materials in the foundations of the dams, in low stages of the river, the only prac-

ficable remedy was that of throwing up a protection, at the foot of the dams, such as would cover the exposed materials of the structure with water: this has been done. Several jobs on the upper Division, left in a half finished state by the suspension, have sustained slight injuries by the extraordinary flood of the latter part of summer.

The settlement required by law, with the contractors, was perfected, or nearly so, in the month of January; and payments made to the contractors on account of the indebtedness of the state then ascertained, are stated in the general abstract before alluded to.

Preferring such delay as may occur, in resuming operations on this line to the acceptance of the damages offered for a relinquishment, the contractors, with the exception of those on three small jobs, refuse to give up their work; and therefore nothing, under that head, from this line will appear in the general abstract, but for the cases alluded to.

With a view to the increase of the business of the canal, and to encourage the transportation of bulky and heavy commodities, the Board reduced the rate of tolls on our canals, so as to conform to the charges on similar works in Ohio; but this change has been too recent to realize to any extent, the contemplated benefits, either to the canal or individuals. Preparations, have, for the first time, been made for packing pork at Brookville and elsewhere on the line, which, with the water power now being occupied, will increase the receipts for tolls; but until the canal is extended so as to command the trade of the adjoining counties, in exports and imports, now conveyed by wagons, avoiding the delay and expense of loading and unloading, and making it their interest to exchange that mode of conveyance for the transportation of the canal, only a portion of the commerce of the interior will pass through the canal.

The tolls received on this line from Nov. 1, 1839 to Oct. 31, 1840 is \$1,500 00.

CROSS CUT CANAL.

The operators on this line, with one or two exceptions, and to a small amount, quit their jobs soon after the publication of the order of the Board last fall, for a general suspension. The settlement provided for by law, was made with the contractors chiefly by John Dowling, Esq, assisted by the Resident Engineer, Mr. Ball; the result of which will be seen in the payments mentioned in the abstract before referred to.

The feeder dam thrown across Eel river, on which there had been a large expenditure, was unfinished and much exposed at the date of the last annual report. That structure has since been finished. In addition to the expenditure made for its completion, the unusual freshets of the season have required a further sum to protect what was done, by checking the washing of the banks. The guard bank on the east side of the river, has been extended to the point intended, for the purpose, in part, of saving the State from a claim of dama-

ges for injury to the improved lands which would otherwise be inundated by the river in time of high water.

The contractors having determined to relinquish their work upon the terms named in the act before alluded to, so notified the Commissioner; and arbitrators were, for that purpose, appointed. The damages allowed by them, as stated in the general abstract have been paid.

WABASH CANAL AT COVINGTON.

At this point settlement was made with the contractors, though not until spring. The contractors, although they hesitated a while, ceased operations, and have concluded to relinquish their work and receive the damages proffered by the act. The claims of the contractors, mutually acknowledged at the settlement, and the damages, so far as they have been ascertained and paid, are stated in the general abstract.

NEW ALBANY AND VINCENNES ROAD.

The Legislature of the last winter having taken this line from the supervision of the Board, and placed it in the care of an agent named in the act, the Acting Commissioner has not, of course, given his attention to it, further than to look to unadjudged matters, and to take such other steps as did not conflict with the powers and duties assigned to the special agent. He cannot, therefore, communicate any thing to the Board as regards the condition of the road, the erection of toll gates and houses, nor of the tolls received.

Prior to the organization of the new Board, the Commissioner, John A. Graham, prepared notices of the time and place for meeting and settling with the contractors on this line, and upon the Jeffersonville and Crawfordsville Road south of Salem. These settlements were not completed until April, and will be stated as in the other cases. Upon both of these lines the contractors accepted the damages preferred by law, the amount of which, as determined by the arbitrators, will be stated in the abstracts prepared and before mentioned.

As the reference of the claims of the Messrs. Stewart, by a special act of the last session of the Legislature, has some connection with these lines, they being operators on each, I will here notice the proceedings on that subject.

Messrs. H. C. Moore, Engineer on the Whitewater Canal, and G. C. Smith, of Paoli, were selected as arbitrators on the part of the State; and Messrs Fitch and Shields, of New Albany, on the part of the complainants; Mr. Downey, of the same place, was mutually chosen as the fifth member of the Board. Thus constituted, the first meeting took place at New Albany, the 17th of August. Previous to the meeting, the complainants, as required by the act, filed in the Floyd Circuit Court a bill of complaint, a copy of which not having

been received in time for this report, will be placed on file in the office of the Board.

After consuming the major part of the week in receiving testimony, the Board, upon the application of the Messrs. Stewart, ordered a re-measurement of the earth work at the Silver Creek bridge, and appointed H. C. Moore and T. A. Morris to perform that duty, and report to the arbitrators at their adjourned meeting on the third Monday in October. The health of Mr. Morris preventing, W. J. Ball, from the Cross-cut Canal, was appointed to supply his place. At the appointed time the arbitrators met, and soon after the Engineers made their report, not having discovered the large excess of embankment claimed by the complainants.

After resuming the subject, the arbitrators awarded to the Messrs. Stewart the following sums, viz:

On the first item of complaint named in the bill	\$330 00
On the third - - - - -	115 50
On the fourth - - - - -	20 00
On the fifth - - - - -	420 00
On the sixth - - - - -	476 25

\$1,361 75

The State, in the investigation of these claims, had the professional services of the Hon. James Collins.

JEFFERSONVILLE AND CRAWFORDSVILLE ROAD, NORTH OF GREENCASTLE.

After the promulgation of the order requesting the contractors, generally, to desist from further operations, but little was done on this line. The bridges, so much desired as facilities to the business and travel of that vicinity, were not so far advanced as to justify an attempt for their completion.

The contemplated settlement with the contractors was delayed, unavoidably, but was made in time for the issue of treasury notes. The aggregate of the debts found due to contractors, is noted in the abstract. The work at this point has likewise been relinquished by the parties, for the damages noted as awarded to them in the abstract before named.

The further attention necessary to the suit with P. McGinley in the Floyd Circuit Court having devolved upon me, by the late extension of the sphere of my duties over the line where it originated, and having taken the case to the Supreme Court rather than pay the decree of 13,500 dollars as requested by the plaintiff, I may not stand excused for resisting payment without relating the facts belonging to the history of the claim, those I have discovered since it became my duty to investigate its merits. I will therefore mention them.

Messrs. McGinley, Graham and Stedman, under the style and firm of P. McGinley & Co. were commencing the business of merchandizing in Kentucky, on the Louisville and Lexington Rail-road, and were contractors on that work. At the first letting of the Silver

creek bridge, this company were competitors for the work, and upon a comparison of the proposals, their bid was accepted by the then Commissioner, Dr. Maxwell. According to usage, three copies of the printed form of the contract to be executed, were prepared by Dr. Maxwell, in the name of Patrick M'Ginley & Co., with places for the signatures of each member of the company, each one of the firm, according to an established rule, being required to sign the contract, by affixing his individual signature; experience in this State and elsewhere, having made this precaution necessary. The contract, prepared in this way, was signed by Dr. Maxwell and left at the office in New Albany. Mr. M'Ginley signed it, and Messrs. Graham and Stedman both came over, more than once, to subscribe their names, but the subordinate Engineer in charge of the office being absent, they did not do so. Having applied and failed in getting the opportunity to sign the contract, the signatures of Messrs. Graham and Stedman were not insisted upon. In the meantime the work progressed, and the firm of M'Ginley & Co. from time to time paid for labor and materials. Graham occasionally gave his attention to the work, remained for days at the job and was known as a partner. The estimates were made out by the Engineer in the name of M'Ginley & Co., and the Commissioner paid to M'Ginley the regular monthly estimates, amounting to over 19,000 dollars, taking receipts from him in the name of P. M'Ginley & Co., which are now on file in the office of the Auditor of Public Accounts. Upon an examination of the work by the Chief Engineer in the fall of 1837, he found the job so badly conducted, and the materials and workmanship so insufficient, that he was obliged to condemn them and the contractors refusing to change the character of the work were dismissed, as provided for in the contract in such cases. After quitting the job and settling the accounts, M'Ginley, as I am informed by one of the firm, acknowledged a profit of 1500 dollars to his partners.

At the session before the last, Mr. M'Ginley, in his own name, complained to the Legislature of losses and injuries that he had sustained in the work; and by the influence and representations of those who advocated his claim, an act passed authorizing him to commence suit in Floyd county. Of this application M'Ginley gave no notice to his partners, and they were ignorant of it until they casually heard of the pendency of the suit, and that it was instituted in the name only of M'Ginley.

Whilst in search of the documents and material facts connected with the case, I was verbally notified by one of the partners that he would claim of the State his just share of any damages now, or hereafter found to be, due from the State on account of the work at the Silver creek bridge. Subsequently I was notified by letter, and was more recently served with a more formal notice.

These facts I have obtained from the documents and files of the office and from one of the partners; and being advised by the opinions of others in confirmation of my own, that any moneys, if otherwise just, paid to M'Ginley, will not bar the equitable claim of the partners,

my duty to the State obliges me to resist the payment of such a claim.

These facts, it is believed, were not known to the attorney nor to the other agents of the State, succeeding Dr. Maxwell, who made up the defence at the trial of the case, but were obtained since, from the sources mentioned.

INDIANAPOLIS AND LAFAYETTE ROAD, NORTH OF CRAWFORDSVILLE.

With the exception of the Sugar Creek bridge, the jobs on this line were suspended last autumn. It was deemed better to finish this bridge—it having approached its completion—than to rely on any plan that was suggested for its preservation.

The settlement with the contractors was effected to the mutual satisfaction of all interested; and the amount found due from the State is also stated, with similar items, in the before mentioned abstract.

As upon most other works, the contractors on this, availing themselves of the remuneration proposed in the shape of damages, have complied with the requisitions of the law by giving up their work. For the allowance made to them, see the abstract prepared for the purpose.

MADISON AND INDIANAPOLIS RAIL-ROAD.

Operations on this work did not entirely cease at the time of, nor since the suspension. The contractors on the heavy work commonly called the "*deep cut*," at the Madison hill, have kept up their force of from seventy to a hundred hands, and the *cutting* is just finishing; but in consequence of the sliding of the material thrown out, the embankment has progressed but partially. Besides this section, there still remains a small amount of excavation at the head of the plain, on section No. 3.

The contractors upon the line from near Vernon to Edinburgh, obtained their works at the June letting of last year; and, at the time of the order of the Board requesting a suspension, the earnings of many of them did not cover their outlays. On this account, they hesitated to respect the order for suspension; most of them, however, quit the field, whilst a few continued. With the opening of the spring, several resumed; and in the course of the months of June and July, the whole line was occupied. These events caused the Board to publish its order of August.

The superintendent necessarily kept at the depot, with the few workmen under him, has been employed building cars, and discharging such other duties as his place required of him. A small force has been employed in levelling the track, and opening and cleaning out the side ditches to conduct the water from the grade.

With the contractors, the settlement directed by law was not made until February. The amount of claims ascertained to be due on this line, will also be found in the general abstract. The payments

made to contractors by the Madison Company who purchased the bonds, are separately noted, and also those made the contractors on the old heavy work at the river hill.

The locomotive and train have continued to make a daily trip to Vernon, without the loss of a day, and without the occurrence of an accident.

In the month of May, after giving sufficient notice for competition, proposals were received for running the train another year, and upon the same terms named in the last report: the undertakers paying the expense of fuel, water, oil, hands and officers; and the State keeping the track, the locomotive and the cars in order, and retaining the right of appointment, control and dismissal of the officers. The proposal of Sering & Butt, giving seventy-one per cent., or seventy-one cents to the dollar, of the whole receipts, was accepted, being eleven per cent. better than the lease, of last year, to the Messrs. Branham. The lease, or written agreement entered into, is filed in the office of the Board.

The aggregate monthly tolls, since they were stated in the last annual report, have been as follows:

1839. October	\$1,240 74	1840. April	\$915 70
November	1,120 74	May	855 45
December	1,673 91	June	1,051 64
1840. January	770 46	July	1,099 84
February	930 25	August	825 49
March	1,305 04	September	1,119 84
		October	1,388 68
	\$7,041 14		\$7,256 64
From October 1, 1839, to March 31, 1840			\$7,041 14
“ April 1, 1840, to October 31			7,256 64
For carrying the mail four months			263 33
			\$14,561 11

When we view the distressed state of trade with the interior, the diminished consumption of imports, and the increased demand for the products of labor, the foregoing income will equal every rational expectation; and, when we consider the large amount of transportation performed by wagons, in preference to giving it conveyance so short a distance on the Rail-road—by using wagons between the depot at the head of the plane and the city, a distance of two miles—the amount of the receipts for the year can hardly fail to be gratifying.

From what transpired last winter, the Board will expect, and my duties as Commissioner claim of me, some notice of what has been done in the effort to recover from Edward M. Beckwith, the absconding Engineer from the Rail-road, the large sums abstracted from the

public funds by over estimates and payments, procured by bribes, and in which over payments he no doubt shared.

Of his detection—his arraignment upon the criminal charge—his arrest and escape in the civil action instituted for the recovery of the money, the Board reported to the last session of the Legislature; and at the same time some regret was expressed, because our laws did not afford such a remedy as would prevent the fugitive from transferring, or converting into cash, his valuable landed property, and his large claims for money at interest, discovered about the time of his arrest. Having found a deed left by accident, or from the hasty leave he took, conveying valuable property to his brother James, but which had not been executed, no doubt was entertained of his intention to put his property out of his hands, that it might be converted into money by his brother, and in that way deprive the State of the proceeds thereof. But neither the State officers nor the public had any knowledge of a transfer of any of his property up to the day of the meeting of the Legislature.

At the time of Beckwith's exposure, his acquaintances had no knowledge of the large sums of money he had put out at usurious interest, but one disclosure was made after another, until it was ascertained that he had the following property and obligations, viz:

The land and fine house erecting on the hill, then estimated to cost	- - - - -	\$5,500
His interest in land and new town plat at Columbus		2,500
Note on John Woodburn, cash lent	- - -	4,500
Note on Sheets & Grover, with interest	- -	2,000
Note on Squire Wharton, cash lent	- - -	1,000
Note on C. Woodburn, cash lent	- - -	1,000
Note on Leonard & Co.	- - - - -	1,000

The three last notes were collected by himself or brother, soon after his arrest.

With the hope of recovering some portion of the money obtained, as was believed, through fraud, the Legislature at the last session took the precaution to legislate with closed doors whilst the act was passed, authorising the State officers to proceed in a summary manner, by attachment, to recover money, generally, from State agents or contractors, when improperly obtained or withheld. The second night after this proceeding, and as soon as the act passed through the hands of the clerks and of the Executive, the Resident Engineer was dispatched to Madison with a copy of the act, and with a request for the State's counsel to commence the proper action. Proceedings, such as the act authorised, were, accordingly, begun against the property and creditors of Beckwith. In these cases no trial has yet been had, but from the answer filed by Joseph G. Marshall, Esq., it appears that he sets up a claim to the land at Columbus, to the house and land on the hill near Madison, and to the note on John Woodburn for \$4,500; all of which, as alleged, were procured through the bro-

ther of Beckwith. He also held the note on Sheets & Grover, but gave it up to James Beckwith, and it is now claimed by a third person, a citizen of Louisville, who has brought suit for the recovery of the money.

WABASH IMPROVEMENT.

With the work at this point, conducted under the joint commission of the two States, and of so much importance to the people of both Illinois and Indiana, no progress has been made. The Board and the Commissioner would gladly have pushed it forward as a work of superior claim upon the means of the State; but having nothing to apply, operations here have been entirely suspended. The contractor offers to relinquish his claim to the work, and accept the damages proposed by our statute, but no award has yet been made.

Respectfully submitted,

N. NOBLE.

A General Abstract of the whole amount paid for construction, for contingencies, for damages to lands, and for damages to contractors relinquishing their contracts on the works mentioned in the foregoing report.

White Water Canal.

Claims for construction	-	-	-	-	\$203,146 96
Contingencies	-	-	-	-	5,969 82
Damage to Land	-	-	-	-	32,580 19

Central Canal—Northern Division.

Claims for construction	-	-	-	-	158,199 79
Contingencies	-	-	-	-	4,841 79
Damages to Land	-	-	-	-	860 00
Damages to Contractors for relinquishing	-	-	-	-	20,373 91

Madison and Indianapolis Rail-road.

Claims for construction	-	-	-	-	141,352 10
Contingencies (including \$9,255 27 for loco-motive,)	-	-	-	-	13,474 33

New Albany and Vincennes Road.

Claims for construction	-	-	-	-	5,531 63
Contingencies	-	-	-	-	376 88
Damages for relinquishing	-	-	-	-	4,171 79

Jeffersonville and Crawfordsville Road.

Claims for construction	-	-	-	-	25,972 01
Contingencies	-	-	-	-	2,058 88
Damages for relinquishing	-	-	-	-	3,406 00

Indianapolis and Lafayette Road.

Claims for construction	-	-	-	-	25,711 37
Contingencies	-	-	-	-	1,597 50
Damages for relinquishing	-	-	-	-	1,110 00

Cross-cut Canal.

Claims for construction	-	-	-	-	81,275 33
Contingencies	-	-	-	-	2,361 23
Damages to Lands	-	-	-	-	4,531 00
Damages for relinquishing	-	-	-	-	6,121 88

Wabash Canal—below Lafayette.

Claims for construction	-	-	-	-	10,939 64
Contingencies	-	-	-	-	582 30
Damages	-	-	-	-	17 50
Damages for relinquishing	-	-	-	-	3,334 11

Rapids of the Wabash.

Claims for construction	-	-	-	-	403 07
Contingencies	-	-	-	-	51 00

Central Canal—Southern Division.

Contingencies	-	-	-	-	360 00
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J. L. WILLIAMS' REPORT.

OFFICE OF CHIEF ENGINEER,

Indianapolis, November 27, 1840.

To the Board of Internal Improvement:

The undersigned presents the following Report of the operations during the past season on those portions of the public works to which his attention has been chiefly directed.

WABASH AND ERIE CANAL.

In their report to the Legislature of this year, the Board will have the satisfaction of announcing the opening of navigation throughout the whole length of this canal, from the State line to Lafayette—canal boats having already made several trips between these points. On the opening of Lake navigation next spring, the State and the country at large would at once begin to realize the important benefits so long anticipated from this communication, were it not for the unfinished condition of the Ohio Division, which I regret to say will not be opened before the spring of 1842. Until an outlet is afforded us through the state of Ohio, the portion of canal in this state, though a convenience to the local trade, cannot be extensively useful nor of much value to the state as a source of revenue.

Situated as this work is, scarcely any object can be named more important to the State than the speedy completion of the Ohio Division to Lake Erie. Impressed with this view, I accepted an invitation politely tendered by one of the Engineers in charge of the work in Ohio, to visit that portion of the route about the 1st of September last, during which visit an opportunity was afforded of noticing the condition of the work throughout the whole length of the line to the Maumee Bay. I have also had the advantage of some occasional correspondence by letter with Mr. Dickinson, the acting commissioner, in which such views were suggested for his consideration as the state of the work seemed to require, and from whose replies, which are hereto appended and marked from A to E, the Legislature will learn the present condition of the work, the prospect for its future progress, with the reasons assigned for the the delay hitherto.

The question which had been raised in regard to the location of the line between the State Line and Defiance, on account of which the work has been suspended since the summer of 1839, has recently

been settled by confirming the line originally established in 1837, and the work again placed under contract, as will be seen by the letter of the Ohio Commissioner. For the supply of this line, the Engineer now in charge, proposes to construct a reservoir at the upper crossing of Six Mile creek; covering when full about 2500 acres, with an available depth of 3 feet after deducting the probable evaporation, to be filled chiefly by the surplus water of the St. Joseph river during wet seasons, passed through the Indiana division of the canal. To meet this arrangement it will be necessary for this State to raise the banks of the St. Joseph Feeder, together with short portions of the main line adjoining, one foot, so as to convey 5 feet depth of water instead of 4 feet, as originally designed, which will add 32 per cent. to the present sectional area of the Feeder. This enlargement of the banks should be made during the ensuing year. Its cost has been estimated at the sum of \$15,798.

The proposed reservoir in Ohio from its level, can supply the canal no higher up than a point 5 miles east of the State line, leaving this distance to be supplied in dry weather from the regular flow of the St. Joseph Feeder, in addition to the demand heretofore provided for. By an unusual degree of care in puddling at the points of greatest leakage, and in preventing waste at the aqueducts, our summit feeder may be rendered adequate, notwithstanding this unexpected increase of the demand. The formation of the country in that vicinity is such that the Engineer could not, with propriety, have selected a site for the reservoir nearer to the State line.

The completion of the canal in this State has been accomplished during the past season, under circumstances peculiarly embarrassing to contractors and their creditors. The legislation of last winter, while it authorized and directed the completion of the work, provided not a dollar in payment therefor until it could be realized from the sale of Canal Lands, which was fixed by law for the month of October. Believing it important that the few remaining contracts which had been so long on hand should be completed, in order that the community might enjoy the convenience of the navigation, and that the State might save the expense of maintaining any longer a corps of Engineers for its superintendence, the undersigned has been unremitting in his exertions for the accomplishment of this object. By giving an assurance to laborers and others that their adjusted claims against contractors would be recognized, and that each claim would receive its proportionate dividend of the money received at the land sale, the contractors were enabled to keep up their operations and complete their jobs. On final settlement made during the present month, there was found to be due to contractors and others, the sum of \$115,124 08, of which amount the money received for sale of lands was found sufficient to pay twenty-five per cent. leaving the sum of \$86,587 47 unpaid for which the Commissioner has issued drafts on the Fund Commissioners, based upon the further proceeds of the Canal Lands. These drafts, of which there are 1172 in number, vary in amount from one dollar to several thousand dollars in proportion to the size of the

claims. Under existing laws they are redeemable only when the amount is realized from the future proceeds of the lands. The propriety of meeting them at an earlier day will doubtless suggest itself to the Legislature. If there be no other means of paying these drafts, perhaps the substitution of Scrip or Treasury Notes, of small denominations, made receivable for lands, would afford a convenience to the holders of them.

In the month of May last the undersigned entered upon the discharge of the duty assigned him by an act approved February 24, 1840, entitled "an act providing for selecting, rating and selling lands yet due on the Wabash and Erie canal, east of the mouth of the Tippecanoe river." In selecting and rating the lands, I acted in conjunction with two special Commissioners appointed for the purpose by the Governor. A copy of the report of the Commissioners to the Executive is hereto appended and marked F, to which I would beg leave to refer for particulars.

On receiving the authenticated maps from the Surveyor General's office, it was observed that the grants made in the late Treaties to individual Indians and others, were so located as to cover the choice and valuable land along the river and canal to a much greater extent than had been supposed. Of these grants 24,290 acres have been located by the treaties within the regular alternate canal tiers of sections—thus depriving the State of far the most valuable portion of the lands which had previously been designated and set apart as her own by the Commissioner of the General Land Office. The lands so granted are of great value compared with any other vacant lands in the vicinity, as they embrace the important water power, the land adjoining the principal towns, with the finest of the soil. From a careful examination of each section, the Commissioners have valued these grants at the aggregate sum of \$202,458, averaging about \$8 25 per acre. In lieu of these grants they have selected and reported 69,883 acres, which from an examination they estimate at the equivalent sum of \$202,458. These selections, however, under the construction given to the law, cannot be disposed of by the State until her title is perfected by a confirmatory act of Congress, as in the case of the selections made in 1830, in lieu of lands sold and reserved in former treaties.

In the regular alternate canal tiers unappropriated by private grants, there were found to be 61,741 acres, subject to disposal by the State, which have been classed and rated as follows:

First class,	1,747.24 acres, rated at \$7,	\$12,230.68
Second class,	18,993.27 " " at \$5,	94,966.35
Third class,	41,000.49 " " at \$3	123,001.47
Total rated value,		<u>\$230,198.50</u>

Of these lands there have been sold at the public sale, and by private entry up to 18th November, 1840, as follows:

First class,	475.03	acres at an av. of	\$7 79,	\$3,701.00
Second class,	7,420.61	"	"	\$5 38, 39,954.47
Third class,	15,810.02	"	"	\$3 43, 54,201.41

Shewing a sale of 23,705.66 acres for the aggregate sum of \$97,856.88
 Making a general average of \$4 13 per acre.

On these sales there has been received for the first payment on the principal,	-	-	\$29,809.57
And for interest on the balance due for one year in advance,	-	-	4,077 98

Giving the total sum of - - \$33,887.55
 as the total receipts on account of this year's sales; the whole of which, together with the amount received up to this date for interest on former sales, has been paid over to the Fund Commissioners.

By the terms of the sale, a second payment of the principal will become due within one year from this date, which will amount, on the sales above stated, to about \$19,000.*

On the 18th November, 1840, there remained unsold of the above land 38,035.34 acres, valued at the sum of \$142,340 18; which are subject to entry.

Under the law for the relief of settlers on canal lands, approved February 24, 1840, fifty-five improvements have been valued, and proven in the office, made by thirty-four different individuals, amounting in value to an aggregate sum of \$6,176. All the tracts on which these improvements are situated, with the exception of twelve lots, have been purchased at the minimum price, either by the settlers themselves, or by others who have paid to them the valuation of their improvements.

By law the public sale was required to be held at Peru, which rendered it necessary to remove the office to that point for the time being. Since the public sale the applications for land have continued quite numerous, and as that point is more nearly central for the land offered than any town on the line, the office for private entry, has, up to this time, been continued there. I would, however, take this occasion to remark, that if the future location of the office were designated by law, it would doubtless, better satisfy the community, and be more agreeable to the officer who may have it in charge.

During the past season an unusual number of breaches have occurred in this canal, which may perhaps be accounted for by the greater frequency of very heavy local rains. The dams across the Wabash and other rivers, of which there are eight on the whole line, have sustained no material injury. In filling the canal for the first time below the mouth of Tippecanoe, considerable difficulty has been ex-

* NOTE. The second payment here stated is less than one fourth of the whole purchase. This is owing to the fact that more than one fourth was paid by some purchasers at the sale, as the first payment.

perienced at the Birmingham bluff. At this point the towing path is formed in the river for a distance of one and a fourth miles, for which no material could be obtained better than the very light sand of which the hill is chiefly composed. This sand on the first introduction of the water, is very liable to yield and slide off in the form of a semi-fluid. Several breaches have occurred at this point during the season, which were promptly repaired. The embankment will become more compact by the natural action of the water upon it, and when the outside shall have received its covering of stone, according to the original design, there will be no great difficulty in maintaining the navigation along this narrow pass.

Although the Wabash and Erie canal is so far completed as to afford a perfect navigation, yet there remains several items of work unfinished that properly belong to the construction, which should be performed during the ensuing year.

Three of the sections, not being in a condition to receive at the late settlement, were not fully paid for. When entirely completed there will be due the contractors \$2,577.

The embankment at the Birmingham bluff just alluded to, for the want of stone, was first protected with brush, which was designed as a security against the river floods, until the completion of the canal would enable us to transport stone from the quarries further up the line. To complete this protection, nearly one-fourth miles in length, will require about \$15,000.

The completion of the towing path bridge across the Wabash river at Carrolton, has in like manner been deferred for the purpose of having the advantage of the canal in transporting stone for the piers. This structure, including a guard bank adjoining, will cost \$20,000.

In the construction of this canal, timber instead of stone was from necessity used for many of the culverts, nearly all of which were so arranged in the original design, as to be readily covered with water, by a small dam across the stream at the lower end, for which purpose the canal now affords the means of transporting the stone. From the State line to Lafayette, there are thirty-six wooden culverts now exposed to decay, the whole of which may be submerged according to the original plan, and thereby rendered durable, by the expenditure of about \$2,000. By incurring this small cost during next season, the much greater expense of re-building these culverts at a future day, not very remote, will be avoided.

At two or three different points on the line, an additional culvert, with some side ditches, is considered necessary to prevent an accumulation of water on the upper side of the canal. About \$2,000 may be required for these objects on the whole line.

The enlargement of the St. Joseph feeder for the purpose of filling the reservoir in Ohio, as before described, is estimated to cost \$15,798.

The several expenditures here proposed, which are properly chargeable to the *construction* of the canal, amounting to the total sum of \$57,375, should be provided for in the course of next year.

During the past year, payments have been made by the undersigned, by drafts on the Fund Commissioners, as follows:

East of the Tippecanoe.

Payments made for construction between 1st March and 31st October, (the end of the fiscal year,)	\$84,877 97	\$187,991 79
Payments for construction made since 31st October, including repairs for the season,	103,113 82	
For incidental expenses up to 31st October	5,764 03	\$8,947 89
For incidental expenses paid since 31st October,	3,183 86	
For damages to property up to 31st October,	8,028 26	\$10,461 76
For damages paid since 31st October,	2,433 50	
Total, ...		\$207,401 44

West of the Tippecanoe.

For construction up to 31st October,	48,114 60	\$64,600 17
For construction paid since 31st October,	16,485 57	
For damages to property up to 31st October,	7,120 00	\$8,317 20
For damages paid since 31st October,	1,197 20	
Total,		\$72,917 37

To this must be added the payments made by Samuel Lewis, Esq., the former Commissioner previous to 1st March, which will be reported by him, for the total expenditure. It will be recollected that a large proportion of these disbursements, though made during the present year, were in discharge of the indebtedness, accumulated during the previous year.

During the past season, tolls have been collected on the navigable part of this canal, to about the sum of \$3,000.

The total expenditure for construction between the State line and the Tippecanoe, including repairs up to this time, amounts to \$1,865,691 00

To which add the several items of work still required to be done, as above described, ... 26,577 00

Total cost of this division, a distance of 129 miles and 59 chains, not including superintendence and damages, ... \$1,892,268 00

In this estimate the proposed enlargement of the St. Joseph's feeder

is not included; that being no part of the original plan of the work, but rendered necessary by the peculiar location of the canal in Ohio.

On the extension of the canal from Tippecanoe to Lafayette, a distance of 14 miles 29 chains, there has been expended for construction, including repairs, up to this time, the total sum of \$307,930 00

Add cost of protecting the Birmingham bluff with stone, as stated on a previous page, . . . 15,000 00

Total cost exclusive of superintendence and damages, ... \$322,930 00

The steam-boat lock at the Delphi dam, which had been for some time suspended, was resumed by the contractors in September last. By this time a portion of the foundation has probably been laid. No payments have been made for the work performed on this lock the past season. On this lock and works connected with it, there has been expended as per last year's report, the sum of \$18,589 00

Add sum required to finish 39,444 00

Total cost of Lock, &c. constructed of wood, \$58,033 00

ERIE & MICHIGAN CANAL.

The contractors on this line having agreed to relinquish their contracts, there remained no duties connected with this work, requiring the attention of the undersigned, other than those of making payments for the work done, and adjusting the claims of contractors for damages on account of their relinquishment. In the month of April last, a board of appraisers was organized under the provisions of the law on this subject, by whom awards were made to the several contractors and sub-contractors, amounting to \$12,047 69, as shown in the annexed statement marked G.

During the past year, payments have been made by the undersigned on this canal, by drafts on the Fund Commissioners, as follows:

For construction, up to 31st October, (the

end of the fiscal year)	-	-	\$74,590 25
" damages to property up to 31st Oct.	-	-	4 75
" damages to contractors, up to 31st Oct.	\$11,595 69		
" do do paid since 31st Oct.	500 00		
			12,095 69
" incidental expenses up to 31st Oct.	-	3,833 88	
" do do paid since 31st Oct.		57 59	
			3,891 47

Total \$90,582 16

To this should be added any payments that may have been made by the former Commissioner, previous to 1st March and since last year's report, in order to show the whole yearly disbursement.

This report has been delayed several days beyond the period required by law. The tedious settlement for the completion of the Wabash and Erie Canal, which could not be commenced until after the land sale, has caused this delay.

Respectfully submitted,

J. L. WILLIAMS,

APPENDIX.

A.

INDIANAPOLIS, August 5, 1840.

R. DICKINSON, Esq.,

Acting Commissioner Wab. & Erie Canal in Ohio:

Dear Sir—When at Fort Wayne, a short time since, I learned with much satisfaction that you designed, very soon, to let out and re-commence the suspended portion of the Wabash and Erie Canal, between the State line and Defiance. This portion of the line, I presume, from the long delay, must now require more time for its completion, than any other; but whether this is the case or not, it is of much importance to Indiana that this division be finished as soon as practicable; for if our boats could go to Defiance, with the canal around the Rapids navigable, as it will be, the river and the road between these points would suffice for a considerable trade.

Believing that the desire for an early completion of the canal is fully reciprocated on your part, I have taken the liberty, in a recent letter to the Engineer, to suggest, for your consideration, the propriety of letting this suspended line in small contracts, from one quarter to half a mile, instead of a mile in length, as heretofore. This course would no doubt hasten the completion of the line. I have generally observed that two contractors on a given length of line will collect and operate a greater number of laborers, than either one of them alone could do on the same portion of line. The suspension of public works elsewhere, with the fact that Ohio can obtain, and is obtaining, any required amount of funds, would bring to your letting many experienced bidders, so that if you divide your twelve miles of line into thirty or forty sections, you could no doubt find an efficient contractor for each.

The difficulty in obtaining funds, having been removed, so far as respects Ohio, the only limit to your progress must be in the number of laborers you can collect. As to the measures most likely to secure the employment of a large force, you are of course the best judge. What I have said on this subject is only designed as a suggestion for consideration amongst others that may be presented. The great importance to the citizens of Indiana, of a speedy completion of the canal through your State, will, I trust, in your view, form a sufficient apology for the freedom with which I have given these suggestions, in relation to matters wholly under your charge.

We shall complete our devision of the canal and pass boats from Lafayette to the State line in October next.

Very respectfully,

J. L. WILLIAMS.

B.

INDIANAPOLIS, August 17, 1840.

R. DICKINSON, Esq.,

Acting Commissioner Wabash & Erie Canal:

Dear Sir—Since I wrote you on the 5th instant, I have been gratified to learn, by a letter from Ohio, that the views of the new Board of Fund Commissioners are very favorable to the prosecution and prompt completion of the Wabash and Erie Canal; so much so, that the Board would even favor a discrimination in behalf of that work, should they be unable to loan money sufficient to carry on all of your improvements. I am persuaded, however, that there will be no need of such discrimination, as the State of Ohio will undoubtedly be able to sell her stocks to any required amount.

All difficulty in regard to funds being thus removed, the limit to the prosecution of your canal is placed alone in the amount of physical force which can be collected on the work.

We trust that your efforts to get on a very large force, so soon as the sickly season is over, may be abundantly successful.

Very respectfully,

J. L. WILLIAMS.

C.

LOWER SANDUSKY, August 23d, 1840.

Dear Sir—Your favor of the 5th was duly received. We intend to so divide the re-letting of the suspended line that it may be completed in the shortest manner.

We have been cursed enough with large contracts and inefficient contractors. We have done a good work this spring and summer, and since I saw you at Columbus, have disbursed upwards of \$400,000 on this line of canal. We are now about letting the water into a twenty mile levee, from the head of the Rapids to a point below Maumee City. You may depend that we will push this section of the line between Defiance and the State line. When we have these contracts disposed of, I will write you again.

Respectfully yours,

R. DICKINSON.

J. L. WILLIAMS, Esq.

D.

INDIANAPOLIS, Sept. 30, 1840.

R. DICKINSON, Esq.,

Acting Com'r. Wab. and Erie Canal in Ohio.

Dear Sir—In making a recent visit to the Ohio Division of the Wabash and Erie Canal, in pursuance of an invitation politely tendered by Mr. Medbery, one of your Engineers, I was surprised to find that operations had not been resumed on the suspended line above the junction with the Miami Canal. The early completion of the upper portion of the line as far down as Defiance, or to the deep water just below that place, has been deemed by us of the greatest importance. Had this line been allowed to progress from the time it was put under contract in 1837, our boats, by the opening of the navigation next spring, could have passed from Lafayette to Defiance, which, with the canal around the Rapids, already finished, and the river and road between, would have afforded facilities, at once, for a brisk trade on the whole route. You will no doubt recollect the assurance which you gave me when at Columbus, last winter, that the Board before their adjournment, would decide the question of location, on account of which this line had been suspended, and that operations would be resumed in the spring.

The assurance of a rapid prosecution of this part of the line is reiterated in your letter of the 23d August last. Yet the work, I regret to find, has not been in progress, during the season. Up to the 5th instant, the day on which I passed over this division, operations were still suspended; the day of re-letting had not been advertised, as I could learn, nor had the question of location been decided, or if decided, the Engineer in charge had not been apprised of it; although all the examinations necessary to a decision had been reported by him in July last. In the mean time the most favorable season for operating on this wet line is passing away, and the opening of the navigation is thus placed perhaps nearly a year farther off.

I cannot doubt but the officers in charge of this division of the canal have acted in accordance with their own sense of duty. Yet I may be permitted to say, that in passing over the line, and from the explanations of your Engineers, I could discover no adequate cause for the unexampled delay in settling this question of location. A temporary suspension of the work, when doubts were suggested as to the supply of water on the old line was, of course, very necessary; but the importance of opening this division at the earliest possible day, would seem to have called for greater promptitude in determining this matter, that operations might have been resumed. The question involved nothing more difficult than a comparison between two reservoir sites, and the relative cost of the two lines, both of the plainest character, for all which a period of six or eight weeks would surely have afforded ample time. I speak from due reflection, and with a full understanding of the questions involved, and the nature of the examina-

tions required, when I express the belief, that there is nothing connected with the question of location, supply of water, &c. which, with an efficient organization of your Engineer department, should have delayed the operations of contractors more than two months: and yet this very plain question seems to have caused an entire suspension of 17 miles of line for a period of a year and a half.

The sickness of Mr. Young, the Engineer in charge of the division, is said to have hindered the operations of that department for a time, but it is presumed that your Board would not have allowed a circumstance of that kind to produce so long a delay in making the examinations, when it was in their power at any time to have appointed another Engineer for this special duty. We are aware that the public works of the country have been retarded by the scarcity of funds. In this case, however, a different application of the money already expended, would, we think, have accomplished, to a great extent, the object in view. Had the line above Defiance been pushed, and the progress been checked, if any where, on the line next below and above the chain of rapids, where the river affords quite a good navigation, our canal boats from the Wabash might still have reached Defiance next spring, without any greater expenditure than has been made.

So far as the general embarrassments of the times may be justly chargeable with the delay, the people of Indiana are prepared to submit to it with becoming philosophy. It is the apparent indifference heretofore manifested by the acting Agents of the State, to the progress of this upper division, where the principal barrier to intercourse is found, next to the rapids—suffering it even to fall behind every other part of the route—that furnishes them, as they conceive, just grounds of complaint. With the facts before them, that 12 or 15 miles on this important portion of the route, though placed under contract as far back as 1837, is yet but barely commenced, and that even the location for 17 miles has been left in doubt until very recently, it would be difficult to persuade the people of this State that their interests, and the true interest of this work, have not been overlooked in the management of this upper division.

We are gratified in believing that on the part of the Legislature and other authorities of Ohio, there exists no disposition to retard the opening of this thoroughfare through the territory of that State. There is sufficient evidence of a favorable feeling towards the work in the liberal appropriations made for its construction, and the full discretion confided to the Board of Public Works for their prompt and appropriate application.

I have considered it my duty thus, in the spirit of frankness, to bring to your notice the delays which have heretofore attended the progress of this work, trusting that the officers in charge in Ohio would infer therefrom an obligation to put forth a stronger effort for the future.

The Indiana division, 140 miles in length from the State line, is completed, and would at once do considerable business, but for the difficulties presented between the State line and Defiance.

Under these circumstances, may we not hope that those in charge of the Ohio division, will feel themselves justified in making an *extraordinary effort* for the completion, at least of this upper portion, either by promptly reletting backward jobs, putting on State forces, or in such other way as to them may seem most advisable. Should such an effort add a few thousand dollars to the cost, can it be doubted that this would be promptly returned to your treasury in the earlier receipt of tolls? Putting it upon the basis of direct pecuniary interest alone, I cannot see why Ohio, as well as Indiana, is not interested in an early opening of this channel of trade. Both States have their millions invested in the work, which can be made productive only by its completion.

From the plans and arrangements of Mr. Medbery, the present Engineer, who appears to be a competent officer, I feel assured that nothing will be wanting on his part to forward the work; and in the tenor of your letter of the 23d ult., we have an ample guarantee for your zealous co-operation. By the most determined and well-directed effort for the opening of this suspended line, such as the circumstances of the case would seem to demand, I think it may be finished in 12 months from this time.

I learn from the Engineer that whether you adopt the old line or the new one, the reservoir in your State is to be filled from the St. Joseph's Feeder, through our division of the canal. To meet this arrangement, we shall at once prepare for increasing the depth of our feeder, so that on our part nothing will be wanting to perfect the communication.

For the frequency, and the earnestness of my communications on this subject, I trust you will find a sufficient apology in the interests of two hundred thousand people, (one third of Indiana,) who have been so long looking to this canal, as an important and sure means of transportation for their produce and their supplies; and whose interests, with the interest of the State at large, as connected with this work, it is my duty to represent.

I regretted that I had not the pleasure of meeting you when on the Maumee. These suggestions could then have been made in a personal interview more satisfactorily than on paper. I shall be pleased to hear from you as often as your duties will allow.

Very respectfully,
J. L. WILLIAMS.

F.

Lower Sandusky, October 31, 1840.

DEAR SIR—

I received a prodigiously long letter from you, dated September 30, in which you are rather severe, and draw some conclusions, that to a casual observer appears specious.

Like a defendant who is put upon his trial, I will take up the charges and answer them in detail, and in doing so, I will premise by saying that, from September, 1839, until the month of May, 1840, the commercial affairs of this country were in such a situation, that we had no assurance that money would be obtained to prosecute any of the public works of this State. This fact I communicated to contractors, and permitted them to prosecute their work or not, at their own discretion. Consequently the work did not progress as it would have done, had there been funds furnished. It is true, at the last session of the Legislature, \$400,000 was authorised to be borrowed at any rate of interest, to pay the debts due contractors, of which \$150,000 was appropriated to the Wabash and Erie canal. In the month of May last, this money was furnished, but it did not begin to pay the amount due to contractors; and I have at no one time been furnished with sufficient funds to make a full payment on the Wabash and Erie canal since the month of August, 1839.

However, since the month of April last, I have urged contractors to push their work, and about \$400,000 has been disbursed on this line. Now, for the burden of the complaint, for not sooner prosecuting the suspended 17 miles between the lower and upper crossing of Six Mile creek.

In the spring of 1839, when I took charge of this line of canal, it was ascertained that 13 of the 17 miles would have to be declared abandoned in consequence of inability of contractors to prosecute the work. It also occurred to me that a supply of water from some source would be required to supply the canal from the State line to the junction.

At the meeting, in the month of June, 1839, of the Board of Public Works, I laid this matter before them, but they were ignorant of what course my predecessor had contemplated, in supplying this portion of the canal with water, and concluded that it must be supplied, either from the Indiana canal, or by means of a reservoir, to be constructed at the upper crossing of Six Mile creek. Consequently, I addressed a letter to you upon the subject, and you informed me that Indiana could not supply us with water in the summer months of the year, by means of the St. Joseph's feeder through the Indiana canal. From a partial examination of the contemplated location for a reservoir, it did not appear to be a very eligible selection, the face of the country being almost level; and believing that reservoirs constructed almost entirely of artificial embankments should be avoided and that by a change in location, reservoirs might be constructed with natural banks; I suspended the work on a small portion of the 17 miles and declared the balance abandoned as the contractors had failed in properly conducting their work. In the month of August, Mr. A. Young prosecuted an examination for a suitable location for a reservoir, and I called a meeting of our board at Columbus, at which meeting all information had upon the subject was laid before them, and it was determined to send one of the members of the board, Mr. T. G. Bates,

with myself, and personally examine and determine the location for a reservoir.

In the month of November, 1839, Mr. Bates and myself spent some time in examination, but were not fully satisfied. We ordered further surveys with a view of ascertaining the practicability of constructing reservoirs in the valley of Flat Rock, so as to avoid depending on Indiana for a supply of water to fill and supply our canal, and the report to be made to the Board at Columbus in the winter of 1839 and '40. When you left Columbus last winter, I confidently expected that such a report would be made, that the Board could make some final order in the matter. The health of Mr. Young during the winter was such as to prevent the survey from being completed, but such information was obtained as led us to believe that a reservoir might be constructed on the Flat Rock creek, of sufficient capacity to supply our line of canal, and which would be composed principally of natural banks. Consequently, in the month of April, Mr. Medbery was instructed to complete the survey on Flat Rock, and also make a survey for a reservoir at the upper crossing of Six Mile Creek.

In the month of July last, he completed his survey to my satisfaction, and at the meeting of our Board, on the first of September last, I laid the subject before them for their direction and advice. We were disappointed as to the capacity of the valley of Flat Rock for a reservoir, and adopted the vicinity of the upper crossings of Six Mile creek as the most suitable location for a reservoir of about 2,500 acres, to be protected principally by an artificial embankment.

On the 5th of October last, we re-let all of the abandoned work on the canal, and following your suggestions, we divided the old sections in such a manner as to let the work in small jobs, and to such contractors, that with only common good luck, the canal from the State line to Defiance can be completed next season: at all events, we expect to have you fill that portion of the canal with water in the spring of 1842, and trust to a supply from your canal, for the balance of the season.

Our reservoir will not be completed so soon as the canal;—and when it is finished, we must depend on your canal to fill it. I think the whole line from Manhattan to the State line, will be ready for navigation in the spring of 1842. I believe you over estimate the importance of the use of the canal from the state line to Defiance; the river below for some distance, cannot be used except in high water.

It has been my wish to have the whole line completed at the same time, as near as practicable. Last season in the then state of the money market, I did not consider it my duty, or until it was ascertained money could be obtained, to put any more work under contract. I felt anxious that the upper division should be completed as soon as the lower division, and no sooner; provided it should interfere with the progress of the work below.

I was desirous of obtaining all the information I could on the subject of supplying the suspended portion of the line with water, and

also to put it under contract, in season to be completed as early as the balance of the canal. I think I have done so and the reasons why this portion of the canal has not been re-let sooner are satisfactory to myself, and upon a full understanding of the subject, I think ought to be to the citizens of Indiana.

The people of Indiana cannot feel a greater interest in the completion of this work than I do; and no pains shall be spared on my part, to complete the whole line next season. Our disbursements this season, on the canal, have been about \$500,000—one half the whole distance, in detached portions, is completed. The water has been let in on a 19 mile level, from the head of the rapids to Maumee city, the cost of the work on our re-letting, is about \$150,000 only. The delay in the completion of this work, and the interest you necessarily feel in the subject, is a sufficient apology for the contents and spirit of your communication.

I should have been happy to have met you on your visit on the canal line, in our State, last August.

Any suggestions you have to make, I shall be happy to receive. As we shall be compelled to depend on Indiana to fill our reservoir, and for a supply of water from the State line to the junction with the Maumee canal, some permanent understanding should be entered into upon this subject.

Respectfully yours,

R. DICKINSON.

JESSE L. WILLIAMS, ESQ.
Principal Eng'r for the State
of Indiana. }

G.

Indianapolis, 12th August, 1840.

To his Excellency

DAVID WALLACE:

Sir,—Under the act of the General Assembly, approved 24th February, 1840, it has been made the duty of the undersigned, “to examine and ascertain the particular lands to which the State is yet entitled on the Wabash and Erie canal, east of the Tippecanoe river, under the provisions of an Act of Congress, of the 2d March, 1827.” Having spent the necessary time in a personal examination of the lands in the vicinity of the canal, acquired by the late treaties, we have now the honor of submitting to your Excellency the results, with a report of the selections made; to the end that the same may be communicated to the Secretary of the Treasury of the United States, as contemplated by the law under which we act.

Previously to entering upon this examination, we procured from the Surveyor General's office at Cincinnati, authenticated copies of the township maps, embracing the lands from which selections were to be made. By these we were enabled to base our computations and selections upon official data.

In the correspondence had in 1829, between the authorities of the State and the Commissioner of the General Land Office, in relation to this grant, it appears that the particular tiers of sections, which should fall to the State were at that time designated and set apart by the Commissioner of the Land Office; whose right it was, by the terms of the grant, to determine this question. The principle upon which the division of sections should be made along the outside boundaries of the ten-mile strips was likewise settled at the former selection, so that it was only necessary to extend the regular alternate tiers as determined in 1829, into the late purchase as far as the boundary lines of the canal donation, and the particular sections belonging to the State were at once designated. We herewith enclose a map of the several districts lately acquired of the Miami Indians, on which the canal line, the outside boundaries of the ten-mile strip, and the regular alternate tiers of sections belonging to the State for canal purposes, are represented.

The canal lands in the regular alternate tiers, not covered by Indian grants, are colored on the map with orange color. These lands, amounting to 61,741 acres have been classed and rated, and will be offered at public sale on the first Monday in October next, as required by the laws of the State. The tract books with minute descriptions, are in the canal land office, copies of which can be furnished to the Commissioner of the General Land Office, if the designation of the particular sections on the map, is not deemed sufficient for the purposes of that office.

By reference to the map before referred to, it will be seen that the State has been deprived of the most valuable portion of her alternate tiers, by the numerous grants made in the late treaties to the chiefs and other individual Indians. These grants were allowed by the General Government for the purpose of obtaining the signatures of the chiefs to the treaties, and are therefore to be viewed as a part of the consideration paid to the Indians, for the advantages secured to the United States by said treaties. The lands so granted to the chiefs, virtually as a part of the consideration from the United States, so far as they lie in the canal tiers of sections, had previously become the property of the State by her compact with the United States, and by the action of the Commissioner of the General Land Office in 1829, under that compact, setting apart for the State these particular tiers of sections. The property of the State in these lands was subject, of course, to the then existing right of the Miami nation of Indians, which right has heretofore been recognized by the United States, only as the right of occupancy for the time being, or until a treaty could be effected. It is believed to have been the understanding between the parties in all

former negotiations, in reference to the canal donation, that upon the extinguishment of the Indian title (national) the whole of the canal tiers would fall to the State. Under these circumstances the right of the State, either to the identical lands contained in the Indian grants, or else to select from other lands belonging to the United States a full equivalent, cannot be questioned.

In selecting this equivalent, it is necessary to take into view the relative value of the sections granted to the chiefs and others, when compared with the lands of the United States from which the equivalent is to be taken. Accordingly, the undersigned have personally examined the several sections so granted, as well as the vacant lands of the Government in the vicinity, and have placed upon each lot its fair relative valuation. The average valuation of the lands in the canal tiers, of which the State is deprived by the grants in the treaties, is about \$8 25 per acre. The back lands, from which the equivalent must be taken, are estimated at prices which average about \$3 75 per acre; the prices in each case being fixed with reference to cash payments. When it is considered that the grants made to the Indians are located only in choice situations, adjoining the canal and river, and are so run out by direction of the grantee, as to embrace nearly the whole of the rich bottom lands of the Wabash, with the springs of water, and the valuable water power at the falls of the Wabash, and the falls of Pipe creek; that one of the sections lies adjoining the town of Logansport, and another adjoining the town of Peru, on which a part of that town must be built;—while on the other hand the United States lands in the vicinity lie generally on the upland, and are situated back of the Indian grants, and without advantages, such as have been enumerated; the difference in the valuation it is presumed, will not be deemed too great. It is expected, however, that the authorities of the United States, before they confirm the selections, will test the fairness of our valuations, by such examinations as they may think proper to order. The exact quantity of land in the canal tiers, of which the State has been deprived by the Indian grants, has been carefully calculated from the boundaries and distances given by the public surveys, and marked on the maps furnished us. The quantity embraced in each grant has thus been ascertained as accurately as is practicable without a re-survey of the river fractions. The total quantity is 24,290.14 acres, which has been valued by the undersigned at the aggregate sum of \$202,458 00. The accompanying abstract, marked A, exhibits in detail the content taken out of the canal tiers by each Indian grant, with the estimated value thereof per acre.

As an equivalent to the State for the lands thus taken from her, and patented to the Indian Chiefs, according to the obligations of the treaties, the undersigned have selected other lands belonging to the United States to the amount of 69,883.47 acres which, from a careful examination, they have valued at the corresponding sum of \$202,458 00.

The accompanying abstract marked B, exhibits each lot embraced in this selection, designated by its proper description, and with its content and valuation.

Under the construction given to the act of Congress of the 2d March, 1827, by the Attorney General of the United States, we are aware that the States' title to the selected lands will not be complete, so as to enable her to dispose of them, until confirmed by a law of Congress, as in the case of the equivalent selected in 1830, in lieu of the Indian grants and lands sold in the district then brought into market. It is however of great consequence to the State, that the Secretary of the Treasury should withhold from sale the lands now selected, as designated in abstract B, until the action of Congress can be had. That Congress will confirm the State in her title to these selections, should she finally accept of that alternative instead of the identical lands included in the grants, there can be no doubt; inasmuch as such an act would be viewed as necessary, according to the construction of the Attorney General, to the enjoyment of a pre-existing right, vested in the State by the act of 2d of March, 1827.

All which is respectfully submitted.

J. L. WILLIAMS,
DAVID HILLIS,
J. VIGUS,
Commissioners.

II.

Abstract of Damages awarded and paid to Contractors on the Erie and Michigan Canal.

Comparette & Avaline	-	-	-	-	-	-	\$870 67
Chas. Bellaire	-	-	-	-	-	-	1,541 55
L. G. & R. P. Jones	-	-	-	-	-	-	235 00
Henry Lotz	-	-	-	-	-	-	1,428 90
Wm. Stewart	-	-	-	-	-	-	184 00
do	-	-	-	-	-	-	71 20
Cross & Co., sub-contractors	-	-	-	-	-	-	1,075 37
M. S. Wines	-	-	-	-	-	-	2,549 27
Pratt & Hewchitt, sub-contractors	-	-	-	-	-	-	228 87
Josh. Latham, do	-	-	-	-	-	-	214 66
John Latta, do	-	-	-	-	-	-	221 02
A. B. Lyons, do	-	-	-	-	-	-	422 20
Wm. Hern, Jr., do	-	-	-	-	-	-	1,103 77
Hopkins & Kindall	-	-	-	-	-	-	1,070 41
Thomas Grimes, sub-contractor	-	-	-	-	-	-	330 40
Franklin Wasson, sub-contractor, awarded \$689, paid by compromise	-	-	-	-	-	-	500 00
Compensation made to appraisers	-	-	-	-	-	-	48 00

Total \$12,095 69

REPORT

OF

MILTON STAPP, ESQ., FUND COMMISSIONER,

IN RELATION TO THE

INTEREST ON STATE DEBT, &c.

*To the Senate and House of Representatives
of the State of Indiana:*

The undersigned, one of the Fund Commissioners of the State, begs leave to remark to your honorable body, that the peculiar organization of the Board, and the various transactions to be performed by each one of them separately, together with the heavy duties imposed upon our Secretary, of issuing and disbursing treasury notes, which prevents the possibility of being ready to close his accounts before it will be absolutely necessary for me to return to the city of New-York, induces the Board to cause separate reports to be made of the transactions of the fiscal year. While the report of my associate will consist chiefly of the transaction in the disbursements of the treasury notes of the State and such suggestions as he may think proper to make to your body, I will attempt to lay before you the manner in which our interest for July has been paid, my transactions with the Morris Canal and Banking Company, the situation of our debt in New-York generally, a plan for the payment of our January and July 1841 interest, together with a system of finance which will have for its object to sustain the credit of the state, with the least possible oppression to the people.

The funds relied upon by the Board of Fund Commissioners, for the payment of the interest due on the first day of July last, was the remaining portion of the revenue of 1839, the surplus revenue of 1840, \$70,000 of certificates of deposit in the North American Trust and Banking Company due the 1st of Oct. instant, (which were obtained of the Morris Canal and Banking Company,) together with such other funds as might be obtained from the last named institution, and other institutions in New-York.

In order to convert our western paper into such funds as would pay our interest in London and the city of New-York, it became necessary to send an agent to New-Orleans, and also to send our paper to several points in the state of Indiana, to be exchanged for paper available in those cities, and such exchanges were effected at a loss varying from six to nine per cent.

For the purpose of selling the certificates of deposit above mentioned and converting them into cash on the 1st day of July, as also to collect money from institutions in New-York indebted to us, preparatory to the payment of our interest due in July last, I repaired to the city of New-York in the early part of May and put forth all the energies I possessed, to realize a sufficient amount of money to meet our engagements on that day. But I soon found that the certificates of deposit could not be sold in that market without a loss to the state of from fifteen to eighteen per cent.

That the Morris Canal and Banking Company was not able to pay the interest on their internal improvement debt, but gave me notice that they could not pay the interest on the Bank loan which they had solemnly engaged with Mr. Merrill, president, to do, and which the Fund Commissioners made no arrangement whatever to pay.

Among other troubles, I soon found that other institutions in New-York which were and still are indebted to us, had as much as they could do to protect their circulation, without paying their debts to the state of Indiana, and that to press them was but to ruin them; that the passage of a most unjust law compelling them not only to redeem their notes in specie at their own counters, but also to redeem them at the city of Albany, had created such an excitement that forbearance towards them was deemed the better course to secure our debt.

Under these circumstances, it became necessary for us to borrow a portion of the money for the payment of our interest; which was done by the hypothecation of state bonds, so that chiefly, with our western funds, the sale in the west of \$50,000 of the North American Trust and Banking Company certificates of deposit due the 1st Oct. inst. at a loss of about eight per cent. and the borrowing of \$47,500 yet due, we succeeded in paying our interest to the first of July last.

After the payment of our interest, my attention was given to the securing of our debts in this quarter; and as the debt from the Morris Canal and Banking Company was the largest and considered by some as the most unsafe, I gave it my first attention. In looking into its situation, I found that it was indebted to the state of Indiana on ac-

count of the Wabash and Erie Canal fund, and the internal improve-	
ment fund the sum of	\$817,798 34
Of Bank Loan,	960,000 00
Interest on the above sums to 1st Janu-	
ary next,	101,986 86
	<u>\$1,879,785 20</u>

And that in 1838 this Institution had received sterling bonds to be exchanged for other sterling bonds then in London, which exchange is not yet made - 300,000 00

And that it had received in October 1839 other sterling bonds, to be used in the payment of our interest in January last, and which was not so used - 190,000 00

490,000 00

Making in all to be paid and returned to Indiana \$2,369,785 20

That the only security we had on the debt was as follows:

650 shares in the Planter's Bank of Mobile, the par value of which is \$65,000, and worth now in cash	\$40,000 00
74 shares, Bank of Mobile, par value and worth	7,400 00
625 shares City Bank of Buffalo	
50 shares Merchants' Bank, Mississippi, par value	
\$5,000 worth not known, but the bank is a specie paying bank in good credit	
13,600 Shares Little Schuylkill and Susquehanna Rail Road Stock, par value \$650,000, worth in cash	230,000 00
\$181,000 stock Appalachicola Land Co., worth	181,000 00
40,000 stock Mississippi and Arkansas Land Co., worth	40,000 00
Pier and wharf at Jersey City, cost \$110,000, worth	80,000 00
Undivided third part of 210 lots in J. City, worth	50,000 00
North American Trust and Banking Company certificates of deposit	266,000 00
Long Island R. Road Co. Judgment	60,000 00
Harlem seven per cent. bonds	36,000 00
Beaver Meadow Rail Road stock,	\$250,000 00
Less a loan from the Beaver Meadow Co.	150,000 00
	<u>100,000 00</u>

Making \$1,090,400 00

Which, deducted from \$2,369,785 20, the amount of the indebtedness of the Institution, leaves \$1,279,385 20, without any security whatever.

In this condition of things, I insisted upon the return of the \$490,000 of stocks immediately. To which the President replied that he had honestly used those bonds for the benefit of Indiana. That he had sold the \$190,000 of bonds to Mr. Beers agreeably to my instructions, but from a misunderstanding of the contract between Mr. Beers

and himself they were not paid for in the time specified by me. Still he said he had given me the identical property he received for them, to-wit: the certificates of deposite of the North American Trust and Banking Company, which was by me applied to the payment of the old debt instead of the new, agreeably to his wishes, and therefore was not in fault in this transaction. He acknowledged the error in retaining the \$300,000 of bonds given him for the purpose of being exchanged for others, but said they were used to raise money to pay to Indiana, without which the institution must have failed in meeting its engagement to the State sooner than it did, and that he himself believed at the time he used them, he could replace them in a short time, but the change in the monetary affairs of the country prevented his doing so. He assured me that he considered himself honorably bound to return these bonds, and that it should be done in a short time, but that to do so would deprive him of the means of carrying on his operations, which if continued, must and would enable them to pay their debts, but if discontinued would preclude the possibility of his paying more of the Indiana debt than could be made out of the assets in our hands, as it would be necessary for him in order to place all the other creditors on a footing with Indiana, to give them the residue of his assets. But if he could develop the resources of the Morris Canal, he could secure all his creditors, and in the end pay them off.

Believing, from these facts, that Indiana must lose over a million of dollars by this Institution, unless it could be made out of the canal itself, I made it my special business to look into its present resources and future prospects. I examined its receipts and expenditures, passing along its borders from Jersey City to Easton, and noted its locks and its planes, its feeders and business capacity, and the prospect of its neighborhood tonnage. From Easton I passed up the Lehigh canal and over to the Susquehanna, examined all the works with which the Morris Canal now is or may hereafter become connected, with their iron mines and coal fields, together with their probable intersection with western lines of internal improvements.

I found that its receipts were only about \$70,000 per annum, and its expenditures about \$50,000; that its peculiar construction confined its business principally to its own neighborhood, and precluded it from sharing in the vast trade from the iron and coal regions in Pennsylvania, and also the produce trade from the northern counties of Pennsylvania and south-western counties of New York. That of the four hundred and fifty canal boats belonging to the Lehigh Navigation Co., and which are daily running on the Lehigh Canal, and of the vast number of boats belonging to other persons and running on the same great thoroughfare, not one passed through the Morris Canal, but are put to the necessity of finding their way through the Delaware canal to Bristol, and from thence (such as are destined for the city of New York) have to be towed by steam boats to Trenton, then through the Delaware and Rariton canal by horse power to New Brunswick, and again by steam boat down the Rariton river and

through tide water to New York, a round-a-bout way of 33 miles further to that city than to pass through the Morris canal.

I conversed with the officers, managers and conductors of those works, mines and coal fields, all of whom agree, that if the locks of the Morris Canal were so constructed as to pass the 54 ton boats of the Lehigh Canal, that it must get a very large portion of this vast trade. I addressed a letter to Josiah White and E. Hazard, managers of the Lehigh Canal and Coal Mines, making inquiries into this matter. The letter was very satisfactory. Among other things, they say, that the locks and planes of the Morris Canal can easily be changed in their construction, so as to pass the Lehigh Canal boats; and that the cost of that change will not exceed \$150,000 or 200,000; and that, when so changed, *their Company alone* would pass through this canal, from one hundred and fifty to two hundred thousand tons of coal per annum; and that there could be no doubt but there were other Companies in their immediate neighborhood that would pass as much more. This, of itself, would make an increase of tonage to pass through this canal, of from three to four hundred thousand tons, amounting in tolls, (at present prices,) to as many dollars as there are tons to pass over the work, viz: three or four hundred thousand dollars per annum.

They further state, that if this Company will but construct their locks as proposed, that its business must nett them, for the first five years to come, five per cent. per annum on the capital invested—\$4,000,000; and, in the next ten years, will nett them ten per cent. on their capital invested. The character of these gentlemen is too well known for any comment on their statement. They have been managers in the Lehigh Navigation Company since 1817.

After making this examination and these inquiries, and giving to it and them that reflection its importance required, I came to the conclusion that it was the interest of the Creditors of this Institution, by their forbearance and friendly aid, to permit it to go on with its operations unmolested, and to take a mortgage jointly on the Canal and assets. This opinion, I understand, was communicated to the Agent of the State of Michigan, and to the Agent of the London Creditors, who declined entering into the matter, as they had no power to make any arrangements of the kind.

This being the case, in order to get our whole debt secured, I agreed to the proposition of this Institution, as follows, to wit: 1st. That the whole \$490,000 of State stock should be returned, which return should be well secured, and of which a portion should be returned, as follows: \$40,000 on the 1st of January next; \$50,000 on the 1st of July next; and \$50,000 on the 1st of January, and \$50,000 on the 1st of July, 1842. 2d. That we should give the Institution credit on its Internal Improvement debt, for \$300,000 of iron, on its own bonds, payable by the delivery of the same at the port of New York, Philadelphia, or Baltimore; one-third on the 1st of May next; one-third on the 1st Nov., 1841; and one-third on the 1st day of May, 1842—secured for the whole amount by bonds of the Morris & Sussex Manufacturing Company, and the bonds of the Morristown Iron Company. 3d. The residue of the Internal Im-

provement debt and Wabash and Erie Canal debt, to stand as now due. 4th. The Bank loan debt and other liabilities, to remain undisturbed as they then were. 5th. As security for the whole debt, the Institution to give the following:

1st. The securities taken by Mr. Merrell and myself in December last, as before mentioned,	-	\$1,090,400
Less Harlam R. R. bonds returned, \$19,000		
Long Island judgment,	60,000	
		79,000
		\$1,011,400
2d. Bonds for the Iron as above,	-	300,000
3d. D. B. Hosbrook's bonds, secured by Morristown Valley Rail Road stocks for the return of Indiana sterling bonds,	-	87,121
4th. The bonds of Simeon Draper for the return of In- diana sterling bonds,	-	25,000
5th. Downer & Steinhouse notes for	-	10,000
6th. Other notes and judgments,	-	24,000
7th. 252 Canal boats delivered to Mayknot, as the Agent for Indiana,	-	52,500
8th. A mortgage on the Canal from Jersey City to Easton, one hundred and one miles—cost \$4,000,000—now worth	\$2,000,000	
Less the Dutch lien from Newark to Easton,	750,000	
		1,250,000
Making, in the whole, security to the amount of		\$2,760,021

The Morris Canal and Banking Company are making large contracts for introducing tonage of iron and coal through their Canal, and agree to receive, in part, this material for tolls, and proposed the Bonds of these two Companies for so much of their debt. The solvency of the Companies being undoubted, I thought best to take the Iron. The contract is not for Rail Road Iron, but for such Iron as the State may direct, giving four months notice of the kind preferred; the first payment will be made in Rail Road Iron unless notice is given to the Morris Canal and Banking Company otherwise, on or before the first day of January next. I am clearly of the opinion that the securities above named are ample to secure the whole of the liabilities of the Morris Canal and Banking Company.

They will pay the interest on the \$490,000 of Bonds as it becomes due, and expect to be able to bring up its interest account to the 1st of July next; but, from a knowledge of its resources, I cannot hope for this to be done before the 1st of January, 1842. This Institution redeemed, of its Internal Improvement debt on the 1st of October last, \$71,000, by the payment of Certificates of Deposit on the North American Trust & Banking Company on that day, and will reduce it still further on the 1st of January next, \$195,000, by payment in

the same way, besides small sums collected from the securities in our hands, amounting to the sum of \$1,029.

It will be unsafe for us to depend too much on the receipt of money (to meet our engagements) from other Institutions in New York. Our calculations have proved erroneous, and we dare not again venture an opinion as to the amount we may collect from them the coming year. They appear to be struggling against the tide that sets against them, and I believe they will be able to go through safe. If they do, we may expect to collect those debts without much loss. The embarrassed condition of the finances of our Internal Improvement system is such, that it will require our wisest heads and purest hearts to take us through the difficulties that surround us; but if we will but lay aside party strife, and come up to the work with our strength united for the crisis, it will be the struggle of but a few years to regain our healthy condition, rise above the embarrassment of the times, and resume our march to wealth and prosperity. The character and credit of the State must be sustained, our interest must be paid, and our engagements performed. Our floating debt ought to be funded to the 1st of July next, and changed to a permanent and deferred one; to provide for this, should be among the first business of your session; this done, we can make some permanent arrangement for the payment of our interest.

In looking to the means for the payment of our floating debt, to-wit: the Bank debt and Treasury note debt, there is no other plan which suggests itself to my mind, so suitably as to give to the State Bank six per cent. Sterling Bonds, or 5 per cent. Sterling Bonds at a rate equivalent to 6 per cent. Sterling Bonds at par, not only for the amount of their own debt funded to the 1st of July, but also for the amount of the Treasury notes and interest due in April next, and as a means to assist the Bank in the redemption of these notes, authorize them to issue such an amount of bills under the denomination of five dollars as your body may think prudent and proper. And as a means for the payment of interest (falling due semi-annually on our public debt,) in addition to the means already provided, I would respectfully suggest to your honorable body, the propriety of so amending the charter of the State Bank of Indiana, as to allow that institution to charge seven per cent. per annum on its loans; for the privilege of taxing their capital two per cent. on the amount paid by the State and by individuals. This is the legal interest in New York and Michigan. And also to place under the control of the Fund Commissioners, either permanently or temporarily, all the interest received by the Sinking Fund Commissioners on the Bank loan of one million three hundred and ninety thousand, over and above what is necessary to pay the interest semi-annually due on that loan.

And for the purpose of aiding us in the payment of our interest in January and July next, that the Sinking Fund Commissioners be directed to collect, as fast as can be done, without oppressing the debtors to the State, all the outstanding dues set apart for the payment of the Banks loan of \$1,390,000 over and above an amount sufficient

to pay that loan, to be returned to the Sinking Fund Commissioners at such time as your body may direct, with an enactment for those objects and such others as may suggest themselves to your honorable body. The direct tax upon the people may be much reduced, and the oppression, so much feared from our past imprudent legislation, greatly relieved.

Our public debt is as follows, to-wit:

For Internal Improvement purposes.

Wabash & Erie Canal bonds sold	-	-	\$1,727,000	00
Internal Improvement proper bonds sold	-	-	6,235,000	00
Do Treasury notes funded to 1st July next	-	-	1,374,076	00
Do Treasury notes to be issued, estimated	-	-	30,000	00
Do Bank debt funded to 1st July next	-	-	692,435	00
				10,058,509 00

Lawrenceburgh and Indianapolis Rail-road	\$221,000			
Surplus Revenue bonds to the Bank	294,000			
Bank loan	-	-	2,390,000	
				2,905,000 00

\$12,963,509 00

There is now due and owing to the State as follows, to-wit:

No. 1, from the Morris Canal and Banking Com-				
pany for Internal Improvement purposes			\$745,769	24
From Morris Canal and Banking Company				
for Bank loan			960,000	00

				1,705,769 34
No. 2 Western Bank New York	-	-	240,000	00
3 Pontiac Rail-road	-	-	90,000	00
4 Erie county Bank	-	-	141,573	40
5 Binghampton Bank	-	-	60,700	00
6 Bank Commerce	-	-	81,600	00
7 Henry Roop (Bank North America)	-	-	40,000	00
8 Staten Island Whaling Company	-	-	60,000	00
9 Same with other liabilities	-	-	20,000	00
10 E. & P. Houghwought	-	-	28,000	00
11 W. A. Swain	-	-	4,000	00
12 J. J. Cohen & Brothers	-	-	55,000	00
13 Madison Company	-	-	55,044	63
14 Compromise property	-	-	285,149	60
				\$2,866,836 97

All of which may be calculated upon to meet the in-				
terest thereon except Nos. 8, 10, 11 and 14,				
amounting to			377,149	60

Leaving 2,489,687 37

To which may be added the interest which is now and may be due to the 1st July next, estimated	175,000 37
	2,664,687 74

And to fund these debts to the 1st July next, we must deduct from the above sum the next January and July interest, which will have to be paid out of the above assets, except such means as are provided for by law, to-wit: Bank Interest, Surplus Revenue, &c.

We therefore estimate to be deducted	500,000 00
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Leaving of our interest paying debt	\$2,164,687 74
From the above data, we put down our State debt bearing interest from the 1st July next, payable semi-annually, at	\$12,963,509 00
And debts due to the State which will pay interest from the 1st July next	2,164,687 74

Leaving	\$10,798,922 74
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For which means must be provided, (in connection with those already provided,) for the payment of the semi-annual interest, commencing on the 1st day of January, 1842. This interest, including commission and exchanges in ordinary times, will amount in each year to - - - - - \$595,000 00

The means already provided for the payment of this interest, are as follows:

1st, the State Bank of Indiana pays	\$71,025 60
2d, interest on Canal Lands sold, estimated, - - - - -	22,000 00
3d, Surplus Revenue, - - - - -	32,000 00
4th, Lawrenceburgh and Indianapolis Rail-road Company - - - - -	11,050 00
5th, Canal Tolls, estimated - - - - -	5,000 00
6th, Madison Rail-road - - - - -	10,000 00
	\$151,075 60

To which may be added

7th, Interest from Sinking Fund Commissioners - - - - -	60,000 00
8th, Two per Cent. on Bank Stocks - - - - -	60,000 00—271,075 60
Leaving - - - - -	\$322,924 40

To be provided for by a direct tax upon the property of the State, which property for 1841, may be estimated as follows:

Valuation of all the property in the State, 1840,	\$91,756,019
To which may be added 3,249,210 acres of land,	

which will be assessed for 1841, for the first
time estimated at \$7 50 per acre. - - -

24,369,125

\$116,125,144

This sum at 32 cents to the 100 dollars, will produce 371,600 dollars, which will be fully sufficient to meet the interest of the public debt, deducting all expenses and commission for collecting, &c. To provide for the payment of our interest at a future day, I would respectfully suggest to your honorable body that the distribution of the proceeds of the public lands, among the States on some equitable terms, ought not to be overlooked. Might not the Congress of the United States pass some equitable law which would have a retrospective effect, so as to give to the States the benefit of the proceeds of the public lands since the time of the payment of our national debt.

It is but just to the States this should be done. The credit of the United States, in the shape of its bonds, bearing four and a half or five per cent. interest, would be a good payment to the States. The Legislature should not fail to urge their Senators and Representatives in the Congress of the United States to pass some measure of this kind. The amount to which Indiana would now be entitled, well funded, would pay the interest on the whole of our public debt not heretofore provided for.

In taking upon myself the duties of the office of Fund Commissioner, under the act of last session, I was well aware of the importance and responsibility of the office. Without any provision for the payment of our interest in July last, and January next, and heavy suspended debt with but little security for its payment, with duties at home sufficient to occupy the whole time and attention of my associate, leaving the whole burden of our eastern operations to be borne by me, the situation was a fearful one.

But relying on the good sense of the people's Representatives for protection against charges, ignorantly or corruptly made, and for being sustained in any reasonable act of responsibility, assumed for the good of the State, I entered upon the duties of the office with a firm determination to maintain the credit of the State, settle and secure its debts in the best way my judgment might dictate, and to make a faithful report of my acts to the present Legislature. All this I have done to the best of my abilities.

The present Legislature will of course re-organize the present Board of Fund Commissioners, which will relieve me from further duties, and I have no wish to be again honored with such responsibility. I must say, that I have made contracts for the sale of our bonds that I would not with my present experience make again, but at the time they were made, in the honesty of my heart I believed them to be for the interest of the State. And I now feel confident the State will not loose a dollar by any contract I have made; but that I have assisted in keeping ourselves in weak hands, (but honest ones I believe,) there can be no doubt, and this has been the great error of the commissioners of most of the States.

Whatever errors I have committed in my inexperience in the important office confided to my care, I hope they have been expiated by assiduous and laborious attention to the State's business the present year, without any compensation whatever.

I have, since our last report, disbursed for the State more than half a million of dollars, which no man would do on contract, in the manner I was compelled to do, for less than one per cent.

I have been forced from my family and private business for a whole year, without compensation, hoping that I might do something for the state to off-set any indiscreet sale of bonds that I have made for them, and I now feel satisfied that if the debt due from the Morris Canal and Banking Company is made safe to the State, as I verily believe it is, that my account may be balanced with propriety.

My daily pay since the 1st of March, is 795 dollars, my ordinary expenses for the same time is \$563 61, leaving \$231 39 for my services, labor, and disbursing a half million of dollars.

All of which is very respectfully submitted,

MILTON STAPP.



REPORT

OF THE

FUND COMMISSIONERS,

TO

THE GENERAL ASSEMBLY.

*To the Honorable the Senate and House of Representatives
of the State of Indiana:*

The undersigned, Fund Commissioners of the State, beg leave to report, that after the failure of the Morris Canal and Banking Company to pay its dues to the State of Indiana on the 1st of September, 1839, it was thought advisable by the then acting Commissioners of the Board, to turn a portion of the debt of that institution into an indebtedness on the part of other good institutions in the state of New-York; which was accordingly done by receiving from the Morris Canal and Banking Company securities from other institutions to the amount of \$330,000, for which we agreed to receive their paper to be circulated in Indiana. These contracts were reported to the Legislature at its last session.

Knowing that the State was about to be embarrassed in its Internal improvement finances, and believing that the bank paper of good institutions in N. York, issued upon our own stocks, would meet with good circulation in our own state, and answer all the purposes of our own

money in the payment of state debts to contractors, the Fund Commissioners in 1839 sold to the Merchants' Exchange Bank of Buffalo \$200,000 of 5 per cent. stocks at 96 cents to the dollar, and to the Bank of Commerce 50,000 at 96 cents to the dollar, and to the Bank of North America in Buffalo \$50,000 at par.

At the meeting of the Board at this place in Nov. 1839, they were apprized that all the banks of the middle, southern, and western states, had suspended specie payment, and that the banks in the state of New-York continued to redeem their notes with the precious metals; which caused them to sell in our market at a premium, at from 10 to 12 per cent. over our State Bank paper. This settled the question at once with regard to the circulation of notes of the banks of New-York, and consequently their ability to pay agreeably to contract. Under these circumstances, the Commissioners thought it best, if possible, to rescind the contracts then recently made, and have the bonds returned to the State; and accordingly made an order directing one of their body (Mr. Stapp) to open a correspondence with the institutions above named, in order to bring about the object of the Board; and also directed him, if this object could not be obtained, to reduce the price of the stocks to 88 cents to the dollar, (being equal to 6 per cent. stock at par,) if by so doing he could get the debts well secured.

This correspondence took place, and resulted in an agreement by letter, to return the stocks as fast as they could safely do so under the embarrassed state of the country.

In August last, finding that the contract with those institutions was not likely to be carried into effect at an early day, one of our body proceeded to the city of Buffalo, for the purpose of obtaining security for the bonds sold, and partly succeeded in their wishes; getting securities that might not be ample on a forced sale, but which the member of the board attending to that business, has reason to believe, will by prudent management, save the State from loss. Our bonds sold to those institutions are deposited with the Comptroller of the State, under the new banking law, and only 60 cents to the dollar issued upon them, so that they can be redeemed for that amount. The coupons are regularly cut and delivered to the Fund Commissioners, so that the State pays no interest on those bonds.

The Merchants' Exchange Bank has thrown itself entirely on the mercy of the State, giving its bond in the penal sum of \$400,000 for the return of the \$200,000 of bonds when requested so to do by the State, and to secure the performance of the obligation, we have the guarantee of Sherman Stevens, Augustus C. Stevens, and Eugene Vanderventer, principal managers of the Bank. We also have from the stockholders a part of their stock in this institution, amounting to \$200,000, as also a mortgage on real estate valued at \$30,000, but perhaps not worth so much. We also have of their bills receivable, said to be good, to the amount of \$90,832 89. These bills are in the hands of our agent and at our disposal, he is directed to handle these securities carefully for the interest of the state, without af-

fecting too much the business of the bank. And the proceeds when collected, to be used in redeeming the bonds from the Comptroller for Indiana, six of which have been redeemed and returned to the State.

The Bank of North America has returned three bonds and made a payment in Indiana Treasury Notes, of \$1,360, and given the bonds of Henry Roop for \$40,000, payable as follows, to-wit: \$5,000 on 20th October past, and one fourth of the residue semi-annually from the 1st day of September, 1840, until the whole is paid, with interest from the 1st July last. As collateral security for the payment of their obligations we hold \$40,000 of stock of the Bank of North America, and Mortgages on real estate, valued over and above some small incumbrance thereon, at \$55,000, but perhaps is not worth more than the incumbrance. We have not yet had notice of the payment of the \$5,000, but have no doubt but that it is paid.

The Bank of Commerce was owned principally by Hiram Pratt, Esq. who is now deceased, leaving a very large estate. Mr. Allen, his executor, who is a man of high standing, of business talents of the first order, (who is also security to the State,) informs us that he will be able to settle Mr. Pratt's estate, and pay all the debts, and save to his family \$200,000, but that nothing, excepting the interest can be paid on this debt soon. If this estate can be thus settled, (of which there is little doubt,) this debt may be considered as perfectly safe, as Pratt's estate is largely indebted to the Bank of Commerce, and is bound directly to the State. Mr. Pratt returned \$15,000 of bonds to the Fund Commissioners before his death.

We therefore, as above exhibited, report a further sale of Indiana Internal Improvement Bonds, payable at the Morris Canal and Banking Company, bearing 5 per cent. interest, and dated 1st July, 1839, as follows: To the Merchants' Exchange Bank, Buffalo, \$200,000, numbered \$4001 to \$4,200, to be returned to the State. Bank of Commerce, \$50,000 of bonds, numbered from 4,201 to 4,250. And Bank of North America, \$50,000 of bonds, numbered 4,251 to 4,300.

The sale of the \$200,000 to the Merchants Exchange Bank will not be taken through our books or form any part of our accounts, as their obligation is given to us for the return of bonds and not for cash.

The undersigned beg leave further to report, that the Fund Commissioners, in October, 1839, entered into a conditional contract with several citizens of Madison, in this State, for the sale of \$455,000 of 5 per cent. Internal Improvement Bonds, payable and dated as above, at 88 cents to the dollar, for the construction of the Madison and Indianapolis Rail-road, to be confirmed in whole or in part, or rescinded, at the discretion of this company, on the first of January, 1840; by which contract they were to pay one-sixth part of the purchase money, on the first day of March, and the same amount every sixty days thereafter, until the whole was paid. This contract was reported to the Legislature at its last session.

On the 1st of January last, this company asked further time, (till

the first of March ensuing,) for the confirming or rescinding the contract, as also for a postponement of the payment for that length of time, they still to pay interest from the 1st January, 1840; which request was granted. And on the 30th of January, they confirmed the contract, in part, so as to receive from the State \$180,000 of bonds, for which they gave their obligations and collateral security for 158,400 dollars.

On the 1st March, a further time was asked, to confirm or rescind the residue of said contract, and was given to 1st July, and then extended to 1st November. On the 24th day of October, they again confirmed a part of said contract and received \$41,000 of bonds, so that we report to your honorably body a sale of internal Improvement (Madison Rail-road,) bonds, of \$221,000 of the bonds named in the conditional contract, above mentioned, numbered from 1 to 140, and from \$201 to 241, and from 401 to 440, all inclusive.

The amount payable every sixty days by this company, on this contract, to the 1st Nov. 1840, is		\$105,600 00
And on second contract, all in hand, is		36,080 00
Making in all		\$141,680 00
They have paid in cash - - -		\$101,139 41
And in estimates and drafts on Rail-road - - - - -		38,295 96
		139,435 37
Leaving only		\$2,244 63
to be paid on the 1st of November.		

It has been reported of this company that they have been speculating in the money of the State, and on the State bonds. In justice to these gentlemen, and ourselves, we have to say, that they have not, to our knowledge, had one cent of the money of the State in their hands. Their collaterals were placed in the hands of one of the Fund Commissioners, and their collections made through him, and the money retained for the use of the State; a large portion of which was used in purchasing eastern funds for the payment of our July interest.

We have made contracts for the sale of 100,000 dollars of sterling bonds, at 98 cents to the dollar, and 50,000 dollar bonds at 88 cents to the dollar, to be paid for in Treasury notes. The bonds to be delivered only on the immediate payment of the Treasury notes, which will be reported when fully consummated.

The following will show the condition of the Wabash and Erie Canal and Internal Improvement Funds, including the receipts and expenditures of each, from 1st November, 1839, to 31st October, 1840, both inclusive.

Wabash and Erie Canal Fund.

There was on hand and due the fund at the date of our last annual report - - - \$306,786 29

Since which there has been received—

For Principal and Interest, payments on canal lands 14,827 80
 “ Canal tolls - - - 3,588 82

\$325,202 91

Since which there has been expended—

For interest on State Bonds, with commission - - - \$87,677 99

“ Interest on accounts - 11,023 63

“ Per diem expenses of Fund Com'rs 1,055 81

“ Half years additional salary of Secretary of State - - - 100 00

“ Clerk hire, office rent, and expenses of office - - - 553 56

“ Construction of Wab. & Erie Canal 238,991 39

“ Expenses of Land Office - 717 50

340,119 88

From which deduct receipts - - - 325,202 91

Excess of expenditures - - - \$14,916 97

There is due to the Fund—

From John Scott, deceased - - - \$51 57

“ Indianapolis Branch Bank - 5,483 62

“ D. Burr - - - 5,705 18

“ Morris Canal and Banking Com'py 152,275 80

“ Board Internal Improvements - 147,843 86

\$311,360 03

And there is due—

To State Bank - - - \$67 98

“ Internal Improvement Fund - - - 177,395 66

“ Wm. S. Hubbard - - - 116 34

“ Fort Wayne Branch Bank - - - 69,010 85

“ Lafayette “ “ - - - 79,686 17

\$326,277 00

From which deduct amount due the fund - 311,360 03

\$14,916 97

General Summary of Receipts and Expenditures of Wabash and Erie Canal Fund.

There has been received since the commencement of the work—
From Road and Canal Fund - \$1,892 45

" Sale of 1,727,000 dolls. State Bonds		
—proceeds	-	1,687,000 00
" Premium on State Bonds, exchange		
and interest on deposit—bal.		77,625 01½
" Sale of canal lands—deducting ex-		
penses	-	288,415 01
" Trespass on canal	-	120 00
" Canal tolls	-	8,612 77
		\$2,063,665 24½

There has been Expended—
For constructions of canal, including all
expenses - - -

" Interest on State Bonds	-	\$1,738,780 83½
		339,801 38

2,078,582 21½

From which deduct amount of receipts 2,063,665 24½

Leaving \$14,916 97

Internal Improvement Fund.

There was on hand and due the fund at the date of our last annual
report - - - \$2,315,458 49½

Since which there has been received—

Proceeds of State Bonds sold	-	269,440 00
From Sinking Fund Commissioners	-	47,196 83
" Treasurer of State	-	263,116 93
" Sale of house in Lafayette	-	157 00

\$2,895,369 25½

And there has been expended—

On account of White-water Canal	287,655 49
Central Canal -	389,976 32
Wabash Canal -	102,077 58
Cross-cut Canal -	63,513 49
Madison and Indianapolis	
Rail Road, -	139,898 08
Jeffersonville & Crawfords-	
ville Road, -	110,335 90
New Albany and Vincennes	
Road -	139,036 82

Erie and Michigan Canal,	41,059	21
Wabash River, -	2,942	29
Indianapolis and Layfayette Road, -	36,619	19
General incidental expenses of Board In. Improvement,	4,629	74

\$1,317,744 11

Per diem and expenses of Fund Commissioners,	1,055	81
Expenses of Office, Engraving Bonds, &c. -	1,294	06
Interest on State Bonds,	350,526	29
Exchange—balance,	31,759	52
Interest on account—bal.	41,198	36
Compromise property,	533	20

1,744,111 35

Unexpended, \$1,151,257 90½

And there is due—

From Wabash and Erie Canal Fund,	\$177,395	66
Fort Wayne Branch Bank,	17,104	45
Lawrenceburgh and Indianapolis Rail Road Company, -	1,256	06
Bonds and Mortgages, -	108,300	00
William Hubbard, -	2	62
Bills receivable—for Bonds sold, -	628,990	25
Morris Canal and Banking Co. -	566,917	03
Board Int. Improvement, -	1,290,914	47½
Cash on hand, -	67,565	11
N. M. Rothschilds, -	7,366	66
Bank of Commerce, -	33,600	00
Bank of North America and H. Roop, -	40,000	00
Madison Company, -	55,044	63
Treasury Notes on hand, -	12,183	68
Michigan City Branch, -	3,830	00
South Bend Branch, -	330	00
	\$3,010,800	62½

And there is due—

To Richmond Branch Bank,	16,363	30
Terre Haute “	37,955	92
D. Burr, -	2,554	00
Vincennes Branch Bank,	38,135	51
Bedford “	21,544	08
Milton Stapp, -	275	34

Madison Branch Bank,	-	23,573	46
New Albany Br. Bank,	-	53,171	12
Evansville	"	101,683	33
Lafayette	"	88,132	73
Lawrenceburgh "	-	47,712	18
Commissioner of 3 per cent. Fund,		701	29
Erie County Bank,	-	47,500	00
Indianapolis Branch Bank,	-	91,240	46
State Treasury,	-	1,289,000	00
			\$1,859,542 72
Balance,			<u>\$1,151,257 90½</u>

General summary of Receipts and Expenditures on account of Internal Improvement Fund.

There has been received—

From sale of State Bonds (6,235,000,) proceeds	\$6,133,100	00
Commissioners of Sinking Fund, interest on		
Surplus Revenue,	-	127,858 76
Treasurer of State, Int. Improvement tax,		341,116 93
Interest on deposits and exchange, (balance)		92,357 38
Sale of wagon, oxen and house,		262 00
Overplus drawn for R. R. surveys replaced,		272 70
Total receipts,		\$6,694,967 77

There has been expended—

On account White Water canal,	831,368	73
Central Canal,	1,057,444	28
Wabash Canal,	292,876	74½
Cross Cut Canal,	303,744	73
Madison and Indianapolis R.		
Road,	-	1,110,588 96
Jeffersonville and Crawfords-		
ville Road,	-	262,360 01
New Albany and Vincennes		
Road,	-	435,104 18
Erie and Michigan Canal,		57,301 86
Wabash River,	-	8,902 90
Indianapolis and Lafayette		
Road,	-	39,323 33
General incidental expenses		
of Board In. Improvement,		31,397 45
Auditor's salary	-	1,007 34
Per diem expenses of Fund		
Commissioners		6,951 24½
Expenses of office, engraving		
Bonds, &c.		7,193 07½

Rail-road surveys, replaced		
W. & E. Canal Fund	22,641 50	
Property received of the		
Messrs. Cohens & Josephs	286,069 60	
R. D. Owen per act of Legislature	201 93	
Interest on State Bonds	756,488 73	
Exchange	31,743 27	
Total expenditures		5,543,709 86 $\frac{3}{4}$
Amount unexpended		<u>\$1,151,257 90$\frac{1}{4}$</u>

We have received from the State Treasury in Treasury Notes, \$1,289,000, of which \$12,183 68 remained on hand at the date to which our accounts were closed, the balance having been expended as follows:

	Am't of drafts.	Interest.
For White-water Canal - - -	\$213,806 54	\$2,911 99
Southern Division Central Canal	113,566 54	942 71
Indianapolis and Northern Division Central Canal - - -	188,870 01	2,540 05
Cross-cut Canal - - -	80,096 53	1,095 75
Madison and Indianapolis Rail-road	54,034 90	595 28
Jeffersonville and Crawfordsville Road North of Greencastle -	30,527 01	467 52
Jeffersonville and Crawfordsville Road South of Greencastle -	66,208 26	504 45
New Albany and Vincennes Road	191,285 98	1,665 17
Wabash River - - -	501 57	6 80
Erie and Michigan Canal - -	88,988 55	1,184 73
Wabash Canal - - -	66,121 21	619 63
Indianapolis and Lafayette Road	24,744 74	350 96
Wabash and Erie Canal - -	142,850 95	1,741 98
General Incidental Expenses of Board of Internal Improvement	581 45	5 06
	<u>\$1,262,184 24</u>	<u>\$14,632 08</u>
Amount of Drafts - - -		\$1,262,184 24
Interest - - -		14,632 08
Total - - -		<u>\$1,276,816 32</u>

All which is very respectfully submitted.

M. STAPP, {
N. B. PALMER, { *Fund Commr's.*

Indianapolis, Dec. 11th, 1840.

REPORT

OF THE

COMMISSIONERS OF THE SINKING FUND.

IN SENATE, DECEMBER, 15, 1840.

Laid on the table, and 200 copies ordered to be printed.

The Sinking Fund Commissioners report their Means and Liabilities as follows.

MEANS, EXPENSES, &c.		LIABILITIES, &c.	
Stock loans—Indianapolis branch		State Bonds for Bank	1,390,000 00
Lawrenceburgh	36,213 35	Third and fourth instalments of	
Richmond	9,080 37	Revenue	573,660 11
Madison	33,854 76	Part of loan of 1839	20,000 00
Evansville	16,571 19	Premium on State Bonds	29,496 92
Vincennes	9,081 80	Bank Stock Dividends	497,710 96
Bedford	18,202 15	Interest on stock loans	66,995 93
Terre Haute	17,123 35	“ current loans	140,807 96
Lafayette	21,573 55	Dividends on Surplus Revenue Bank Stock	80,832 90
Fort Wayne	32,183 26	Interest from “ loans	93,284 78
Bank stock		Dividend on stock of 1839	966 66
Current loans of Sinking Fund	224,937 03	Blank Mortgages	116 67
Cash balances	880,000 00	Damages	65 00
Indianapolis branch	2,541 56		
Lawrenceburgh	1,698 83		
New Albany	9 70		
Vincennes	45 00		
Lafayette	406 38		
South Bend	44 62		
Michigan City	369 68		
S. Merrill, Pres’t	48 75		
R. Morrison, Com’r	1,119 78		
G. P. Buell,	70 00		

Principal repaid, &c. 9,347 25	15,701 55	
Total of means from the loans made under the charter	1,754,301 33	
Bank stock from Sur. revenue	419,950 00	
Surplus fund from "	30,479 51	
Loans on surplus rev. mortgages	124,718 97	
Principal repaid, &c.	4,322 92	
Bank stock from loan of 1839	20,000 00	
Total means	2,353,772 73	
Expenses of making loans	4,799 14	
" of transportation of specie	2,100 69	
Sinking Fund current expenses	8,415 60	
Interest on State bonds	369,009 13	
Commission paym't of interest	173 75	
Interest and premium	14,065 16	
Current expenses sur. revenue	3,628 85	
Transportation of specie	1,031 28	
Payments to C. F. Comm'rs	137,346 02	
Int't and prem. on loan of 1839	639 11	
	\$2,894,981 46	

Cash balances—		
Commissioners Canal Fund	-	28 92
Richmond branch	-	12 67
Bedford	-	994 15
"	-	7 83
Madison	-	
		<u>1,043 57</u>

\$2,894,981 46

From the foregoing table, it will be seen that the State of Indiana is the owner of the following items:

Bank Stock,	-	\$1,319,950 00
Estimated value of the State's share of the Surplus		
Fund in the Bank, allowing \$90,000 for bad debts,		100,000 00
Stock loans, all which are secure,	-	224,937 03
Current loans of Sinking Fund and Surplus Revenue,		
on which the interest unpaid will guarantee all		
losses of principal,	-	758,381 72
Cash on hand, or in mortgages, not yet reported,		20,024 47
	Total,	\$2,423,293 22
Payments to the Canal Fund Commissioners,		137,346 02
		\$2,560,639 24
The means from which the above has		
been realized, are the State Bonds		
under the Charter,	-	\$1,390,000 00
Two instalments of Surplus Revenue		
from Treasurer of State,	573,660 11	
Part of Loan of 1839,	20,000 00	
		1,983,660 11

So that the State has actually realized from the Bank, \$576,979 13 while only State Bonds and one instalment of the Surplus Revenue have been advanced.

On the 23d of May last, the lands of fifty-six borrowers were exposed to sale for non-payment of interest. In seven of the cases sales were made; in the others, the lands were struck off to the State for want of bidders. Eight of the tracts not sold have since been redeemed. There are still unredeemed nine tracts in each of the counties of Marshall, Warren, and Tippecanoe; two in each of the counties of Cass, Marion, and Ripley; and one in each of the counties of Laporte, White, Shelby, Daviess, Carroll, Hamilton, Montgomery, and Hendricks. Most of those mortgaged premises have been personally examined since the sale, or such inquiries have been made respecting them, as to give assurance that the money will be eventually secure. Where the Mortgagors are solvent, recourse will be had to their bonds, and in this way several of the loans can be collected without waiting for a sale of the lands. By a false certificate of Jeremiah Muncey, late Clerk of Marshall county, his mortgage was taken for \$500, while there was a lien on the land mortgaged. This lien has been removed at the expense of \$250, but the land is so valuable that very little, if any loss, will be sustained. It is understood that two tracts in Warren county, and one in Clay county, were appraised so much above their real value, that they are not a sufficient security for the sums loaned, Only one of them has yet

been offered for sale, and struck off to the State; and this has two obligors in the bond, one of whom is solvent.

From the best information which the Commissioners of the Sinking Fund can obtain, there will not be any considerable losses. The loans for the year 1835, are now, generally, being renewed by the payment of one-fifth of the principal; which, with the funds coming from other sources, will be loaned in those parts of the State which have not heretofore been accommodated.

The Surplus Revenue loans have been called in as opportunities offered, and the avails vested in Bank Stock.

Respectfully submitted.

S. MERRILL, *President.*

R. MORRISON,

J. WALKER,

G. P. BUELL,

C. FLETCHER,

} *Commis'rs.
of the Sink-
ing Fund.*

Sinking Fund Office, December 12, 1840.

REPORT
OF
SECRETARY OF STATE,
SHOWING THE NUMBER OF
WHITE MALE INHABITANTS
IN THE
STATE OF INDIANA.

IN SENATE, DECEMBER 14, 1840.

Read, and laid on the table, and 100 copies ordered to be printed.

INDIANAPOLIS, Dec. 14, 1840.

Hon. Samuel Hall, President of the Senate:

SIR: Enclosed is the report required to be made on this day under the provisions of an act entitled, "An act to provide for taking the enumeration of the white male inhabitants above the age of twenty one years in this state, approved February 7th, 1840," which you will please lay before the Senate. I have delayed making this report until the latest moment in hopes of being able to receive further returns.

I am, very respectfully, your obedient servant.

WM. J. BROWN.

Secretary of State.

An enumeration of all the persons charged with a poll tax; those exempt from the payment of a poll tax by law; insane male persons and paupers over twenty-one years of age, together with a list of the persons returned by the collectors under the provisions of an act, entitled, "An act to provide for taking the enumeration of the white male inhabitants above the age of twenty-one years, in this State," approved February 7th, 1840.

COUNTIES.	NO. POLLS RETURN'D TO AUDITOR.	TOTAL.	
Allen,	1329	1329	No return from clerk.
Adams,	365	492	
Bartholmew,	1379	1379	No return from clerk.
Boone,	1176	1640	
Brown,	305	339	
Blackford,	218	246	
Benton,	63	63	No return from clerk.
Clarke,	1945	2036	
Clay,	825	1023	
Crawford,	590	796	
Carroll,	1176	1579	
Cass,	1002	1109	
Clinton,	1138	1138	No return from clerk.
Dearborn,	3000	3376	
Decatur,	1557	1932	
Daviess,	1086	1439	
Dubois,	592	702	
Delaware,	1322	1692	
De Kalb,	347	347	No return from clerk.
Elkhart,	1116	1225	
Fayette,	1553	2058	
Floyd,	1485	1485	No return from clerk.
Franklin,	1928	2467	
Fountain,	1755	1755	No return from clerk.
Fulton,	356	400	
Gibson,	1366	1610	
Greene,	1112	1427	
Grant,	805	1009	
Hamilton,	1477	1706	

Harrison,	1829	2425	
Hendricks,	1567	2076	
Henry,	1959	2403	
Hancock,	1113	1323	
Huntington,	303	308	
Jackson,	1226	1580	
Jefferson,	2382	3175	
Jennings,	1194	1384	
Johnson,	1407	1709	
Jay,	601	731	
Jasper,	138	200	
Lawrence,	1558	2189	
La Grange,	647	647	No return from clerk.
Knox,	1557	1831	
Kosciusko,	658	777	
Laporte,	1470	2103	
Lake,	278	356	
Madison,	1349	1349	No return from clerk.
Marion,	2403	2403	No return from clerk.
Martin,	566	715	
Monroe,	1360	1788	
Montgomery,	2257	2856	
Morgan,	1584	1871	
Miami,	465	604	
Marshall,	290	366	
Noble,	580	611	
Orange,	1404	1404	No return from clerk.
Owen,	1019	1328	
Parke,	1838	2505	
Perry,	686	872	
Pike,	748	897	
Posey,	1513	1513	No return to Sec. by the clerk.
Putnam,	2193	2706	
Porter,	410	587	
Pulaski,	113	113	No return from Clerk.
Randolph,	1437	1807	
Ripley,	1427	1696	
Rush,	2269	2799	
Scott,	662	861	
Shelby,	1756	2178	
Spencer,	939	939	No return from Clerk.
Sullivan,	1159	1159	No return from Clerk.
Switzerland,	1458	1458	No return from Clerk.
St. Joseph,	1089	1089	No return from Clerk.
Steuben,	459	459	No return from Clerk.
Tippecanoe,	2340	2878	
Union,	1101	1558	
Vanderburgh,	1166	1166	No return from Clerk.

Vermillion,	1338	1649	
Vigo,	1902	1902	No return from Clerk.
Warrick,	876	994	
Washington,	2051	2694	
Wayne,	3363	3363	Nor return from Clerk.
Warren,	921	921	No return from Clerk.
White,	292	385	
Wabash,	488	550	
Wells,	306	306	No return from Clerk.
Whitley,	200	353	
		119,974	

REPORT

OF THE

BRANCHES OF STATE BANK OF INDIANA,

SHOWING THEIR CONDITION

ON THE THIRD SATURDAY OF NOVEMBER, 1840.

DECEMBER 17, 1840.

Referred to Committee on State Bank, and 200 copies ordered to be printed.

BRANCH STATE BANK OF INDIANA, }
Indianapolis, Dec. 10, 1840. }

HON. SAMUEL HALL,
President of the Senate:

SIR: I enclose for the use of the Senate, a statement of the condition of this Branch as it was on the third Saturday of November, 1840, at 2 o'clock in the afternoon,

Respectfully yours,

B. F. MORRIS, *Cash'r.*

State of the Branch at Indianapolis of the State Bank of Indiana, on the 21st November, 1840.

Dr.		Cr.	
Notes discounted,	-	187,515	11
Bills of Exchange,	-	153,965	26
Suspended Debt, on personal security,	-	20,623	90
Banking House and Lots,	-	362,104	27
“ State Bank,	-	29,287	52
Furniture and Fixtures,	-	1,841	81
Protest,	-	899	70
Indiana State Bonds,	-	18	25
Commissioners Internal Imp. Fund,	-	39,000	00
Branch at Madison,	-	87,868	50
“ New-Albany,	-	555	88
“ Terre-Haute,	-	261	51
“ Lafayette,	-	2,184	67
“ Fort Wayne	-	219	71
“ Michigan City,	-	84	65
	-	45	00
Ohio Life In. & Trust Co. Cin.,	-	783	32
Lafayette Bank,	-	6,711	27
Franklin Bank,	-	1,369	64
City Bank, New-York,	-	4,244	06
Bank United States,	-	7,602	06
Farmers and Mech. B'k Philada.	-	16,451	19
Bank of Kentucky,	-	613	73
Bank of the Metropolis,	-	36	35
Capital Stock,	-	-	-
Notes in circulation,	-	-	-
Individual Deposites,	-	-	-
Surplus Fund,	-	-	-
Permanent School Fund,	-	-	-
Commissioners Sinking Fund,	-	-	-
“ W. and E. Canal Fund,	-	-	-
State Bank of Indiana,	-	1,388	39
Branch at Richmond,	-	218	75
“ Lawrenceburgh,	-	605	88
“ Bedford,	-	341	77
“ South-Bend,	-	16	00
Due to other Banks:			
Commercial Bank of Cincinnati,	03		
North Western Bank, Virginia,	714	78	
Exchange Bank, Pittsburgh,	393	38	
Far. and Mech. B'k. Steubenville,	53	35	
Bank of Pittsburgh,	54	87	
“ Dayton,	90	31	
“ Hamilton,	8	71	
State Bank of Illinois,	333	35	
Dividend No. 11,	-	-	-
Suspended Items,	-	-	-
Dividends Unclaimed, Nos. 9 and 10,	-	-	-
		1,648	78
		4,611	53
		10,268	53
		94	29
		2,554	95

State of the Branch at Bedford of the State Bank of Indiana, on November 21st, 2 o'clock, P. M., 1840.

Dr.				Cr.
Bills Discounted,	\$146,439 23		Capital Stock paid in,	\$174,300 00
Bills of Exchange,	79,831 26		Discount,	1,172 01
			Exchange,	442 53
			Profit and Loss,	300 00
Suspended Debt, on Personal Security	26,597 37	\$226,270 59		1,914 54
Suspended Debt on Bills, on Bonds and	14,983 92		Commis'srs of the Sinking Fund,	5,070 31
			Fund Commissioners on ac-	
Mortgages,	3,091 50	44,672 79	count Surplus Revenue,	1,349 30
				6,419 61
Banking House, of State Bank,	1,841 80		Surplus Fund,	13,555 04
Other Real Estate,	1,300 00		Permanent [School] Fund,	435 75
Banking House of this Branch,	1,572 88		Unclaimed Dividends,	2,194 31
Furniture and Fixtures,	141 70			
			Suspended Interest account,	16,185 10
Current Expense,		4,856 38	Due to Branch at Vincennes,	1,337 87
Due from other Branches, viz:		35 45	Due to other Banks, viz:	213 63
From the Branch at Madison,			Bank of Louisville,	1,526 24
" " N. Albany,	176 19		Bank of Kentucky,	325 00
" " Terre Haute,	713 87		Merchants' Bank, New York,	97
" " Lafayette,	5 06			
	206 98	1,102 10		1,852 21
Due from other Banks, viz:				
From the Northern Bank of Kentucky, Louisville,	103 83			

State of the Branch at Vincennes of the State Bank of Indiana, on Saturday, 2 o'clock, P. M., Nov. 21, 1840.

Dr.		Cr.
Notes Discounted, -	\$213,425 50	\$163,750 00
Bills of Exchange, -	23,990 02	240,635 00
Suspended Debt on per. security, -	11,760 00	11,400 14
Banking House and Lot, -	20,209 00	\$17,359 25
Furniture and Fixtures, -	829 06	400 00
Current Expense, -	47 50	2,489 96
State Bank Banking House, -	1,841 80	
Due from Branch at Madison, -		40,249 21
Due from other Banks, viz:		
Bank of U. States, Philadelphia, -	2,774 26	3,456 85
Merchants Bank, New York, -	491 54	2 58
Bank of Kentucky, Louisville, -	205 57	
Bank of Illinois at Lawrenceville, -	476 00	
State Bank of Illinois at Mount Carmel, -	130 00	
Indiana Fund Commissioners, -		
Cash, viz:		
Other Brs. of St. Bk. Indiana, -	16,880 00	3,542 36
Other State Banks, -	26,525 00	2,189 13
Gold, -	13,214 00	
Capital Stock paid in, -		
Circulation, -		
Individual Deposites, -		
Surplus Fund, -		
School Fund, -		
Dividends unclaimed, -		
Due to other Branches:		
Branch at Evansville, -		
" Terre Haute, -		
Due to other Banks, viz.		
Exchange Bank, Pittsburg, -		1,304 42
Bank of Louisville, -		1,108 49
Bank of Missouri, St. Louis, -		225 50
Farmers and Mechanics Bank, Steubenville, -		281 13
State Bank of Illinois, Shawnee town, -		622 82
Suspended Interest, -		
Discount, -		885 49

Silver,	73,866 37	Profit and Loss,	87 89
	<u> </u>		<u> </u>
	130,485 37		
	<u> </u>		
	446,198 65		
			<u>\$446,198 65</u>

Officers.

D. S. Bonner, President, no salary.
 John Ross, Cashier, \$1,200 per annum.
 G. W. Rathbone, Clerk, \$600.

For the Directors,
 D. S. BONNER, President.

MEANS.		LIABILITIES.	
Notes discounted,	- - \$255,518 79	Capital,	- - - - \$318,150 00
Bills of Exchange purchased	137,792 38	Circulation,	- - - - 233,535 00
Suspended debt on Personal Security, viz:		Profit and Loss,	- - - - 3,048 15
Of Notes, - 20,987 31		Surplus Fund,	- - - - 26,555 80
Of Notes in suit, 5,029 02		School Fund,	- - - - 855 00
	26,016 33	Individual Depositors,	- - - - 38,289 52
Of Bills of Ex'nge, 1,467 20		Treasurer of the United States,	- - - - 11 66
Do. in suit, 2,420 00		Commissioners of Sinking Fund from Surplus Revenue,	- - - - 2,357 50
	3,887 20	Commissioners of Sinking Fund,	- - - - 3,540 33
Banking-house and Lot,	- - - 423,214 70	Dividends unclaimed,	- - - - 1,564 94
Furniture,	- - - 8,614 67	Suspended Interest,	- - - - 2,980 44
Banking-house of State Bank of Indiana,	- - - 599 24	Due to other Branches and Banks,	- - - - 54,794 06
Fund Commissioners of State of Indiana,	- - - 1,841 80		
Indiana Six per Cents,	- - - 28,741 62		
Cash, viz:	- - - 38,000 00		
Notes of other Branches of State Bank of Indiana,	- - - 3,000 00	Dollars,	685,682 40
Kentucky and other State Bank notes and checks,	- - - 12,570 55		
Indiana Treasury Notes,	- - - 18,225 00		

Specie, - - - -	89,699 59
Due from other Branches and Banks, -	
	123,495 14
	61,175 23
Dollars,	685,682 40

Officers of the Branch.

J. F. D. Lanier,	President,	Salary	\$1,000 00
John Sering,	Cashier,	Salary	1,500 00
Isaac C. Lea,	Clerk,	Salary	700 00
Sam'l B. Sering,	Assistant clerk,	Salary	400 00

*The Honorable the President of the Senate
of the State of Indiana:*

SIR: I have the honor, in obedience to the charter of the State Bank of Indiana, to lay before that Branch of the Legislature over which you preside, the foregoing statement of the condition and business of the Madison Branch of said Bank.

And am very respectfully, your obedient servant,

JOHN SERING,—Cashier.

Dr. *State of the Branch at Lafayette of the State Bank of Indiana, on Saturday, Nov. 21st, 1840,* Cr.
at 2 o'clock, P. M.

Notes discounted,	-	-	\$249,931 44	Capital Stock paid in,	-	-	246,550 00
Bills of Exchange,	-	-	25,731 51	Discount,	-	-	451 83
Suspended Debt on Personal Security,	-	-	37,829 29	Interest,	-	-	11 66
Suspended Debt on Bills,	-	-	7,300 00	School Fund,	-	-	674 88
Suspended Debt on Bonds and Mortgage,	-	-	15,136 41	Surplus Fund,	-	-	23,637 20
				Commissioners Sinking Fund,	-	-	4,083 86
				Unclaimed Dividend,	-	-	4,669 23
			335,928 65				
Banking House,	-	-	12,358 55	Certificates of Deposits,	-	-	33,528 66
State Bank House,	-	-	1,841 80	Suspense Account (interest)	-	-	4,226 94
Other Real Estate,	-	-	9,551 91	Due to other Branches and Banks—			16,094 72
Current Expenses,	-	-	51 08	Branch at Richmond,	-	-	595 04
Protest Account,	-	-	160 50	Madison,	-	-	535 70
Furniture Account,	-	-	615 34	New Albany,	-	-	203 22
Bank Stock,	-	-	3,508 12	Evansville,	-	-	302 76
				Bedford,	-	-	136 58
			28,087 30	Terre Haute,	-	-	1,244 70
Due from other Branches and Banks—				Fort Wayne,	-	-	728 83
Branch at Indianapolis,	-	-	224 13				
South Bend,	-	-	41 95	Exchange Bank, Pitts-burgh,	-	-	643 35
Michigan City,	-	-	160 66	Morris Canal and Banking Co.,	-	-	48 23
				Ohio Life Insurance & Trust Co.,	-	-	196 84
Bank of the United States,	-	-	11,000 00	Bank of Hamilton, Ohio,	-	-	86 65
Commercial Bank of Cincinnati,	-	-	2,717 97	Bank at St. Josephs, Michigan,	-	-	2 06
Louisville Savings Institution, Ky.	-	-	1 30				
Bank of Circleville, Ohio,	-	-	3 06				

Bank of America, - - -	4,231 36	Lafayette Insurance Company, -	250 00	
Bank of Kentucky, - - -	2,490 43	Notes Issued, - - -	344,061 00	1,227 16
F. & M. Bank, Steubenville,	57 26	On Hand, - - -	38,123 00	
Premium Account, - - -		Individual Deposites, - - -		305,938 00
Fund Commissioners of Indiana,	152,563 87			33,977 38
Interest to 31st Oct. 1840, -	16,094 72			
Cash, viz:				
Other Branches of State Bank, Ia.	7,611 00			
Other State Banks, - - -	20,125 00			
Silver, - - - - -	62,957 97			
Gold, - - - - -	985 60			
	91,679 57			
	<u>\$645,289 69</u>			<u>\$645,289 69</u>

R. MULLIKIN, *Cashier.*

SALARIES, &c.

J. S. Hanna, President, - - -	\$400
Cashier, - - - - -	1300 and Dwelling.
A. J. Linn, Teller, - - - - -	900
G. H. Harris, Book Keeper, Notarial Fees.	

To the Senate of the State of Indiana:

In accordance with the requisition in the 65th section of the Bank Charter, I herewith present to you, by direction and on behalf of the President and Directors of the Branch at Richmond of the State Bank of Indiana, a statement of the condition of this Branch on Seventh day at two o'clock in the afternoon, Eleventh month 21st, 1840, together with the names of the officers, and the compensation to each.

All of which is respectfully submitted.

ELIJAH COFFIN, *Cashier.*

BRANCH BANK RICHMOND, }
11th month, 23d, 1840. }

Dr. State of the Branch at Richmond of the State Bank of Indiana, on 11th Month, 21st, 1840. Cr.

Notes discounted	177,661 05		Capital Stock	219,150 00
Bills of exchange	61,062 82		Discounts and Interest	891 57
Suspended Debt on Per. Security	29,584 40	268,308 27	Exchange and premiums	351 23
Banking House at Richmond	3,260 90		School Fund	1,212 80
“ “ for State Bank	1,841 80		Surplus Fund	625 00
Furniture and Fixtures	288 16		Unclaimed Dividends	19,802 92
Other Real Estate		5,390 86	Suspended Interest	3,429 31
Current Expense		3,200 00	Commercial Bank, Cincinnati	941 08
Protest Account		160 12	Franklin Bank	437 60
Branch at Madison	117 82	101 50	Ohio Life and Trust Co., Cincinnati	551 76
“ Lafayette	855 38		Bank of Hamilton	852 65
“ Fort Wayne	16 83			140 63
“ South Bend	5,000 00		Indiana Fund Commissioners, for Dividends	1,982 64
Merchants' Bank, New York	65 78	5,990 03		1,300 00
Bank of N. America, Philadelphia	14,242 11			
Mechanics' Bank, Baltimore	674 66			
Lafayette Bank, Cincinnati	325 19			
Exchange Bank, Pittsburgh	2 00			
Indiana State Bonds		15,309 74		
Indiana Fund Commissioners, for advances, &c.		39,000 00		
		16,393 85		

CASH, viz.—Notes of other Branches

35,176 00
Notes of other Banks 17,485 00
Gold 1,336 82
Silver and Copper 92,701 76

146,699 58

Dollars, 500,553 95

Notes in Circulation
Individual Deposits

231,485 00
20,595 20

Dollars, 500,553 95

Officers and their Salaries.

A. C Blanchard, President—Salary \$500 the year.
Elijah Coffin, Cashier—Salary \$1,500 the year, including clerk hire.
No rents paid. The Real Estate, other than the Banking Houses, has not yet been held a year.

ELIJAH COFFIN, *Cashier.*

Condition of the Branch at Lawrenceburgh of the State Bank of Indiana, on 21st November, 1840.

Bills Discounted,	-	-	\$270,637 53		Capital Stock paid in,	-	-	282,000 00
Bills of Exchange,	-	-	82,621 18		Discount,	-	-	649 25
Suspended Debt on Pers'l Secu'ty,	19,368 65				Exchange,	-	-	333 68
on Bills,	18,445 51				Interest	-	-	51 66
on B'ds and Mt'gs,	8,900 00							
				399,972 87	U. S. Pension Agent in Indiana	-	-	1,034 59
Banking House,	-	-	9,215 72		School Fund	-	-	133 18
Do. State Bank,	-	-	1,811 86		Surplus Fund	-	-	850 00
Other Real Estate,	-	-	3,016 76		Unclaimed Dividend,	-	-	46,430 07
Furniture,	-	-	761 65		Franklin Bank Cincinnati,	-	-	3,259 48
Current Expense,	-	-	44 23		Commercial Bank "	-	-	678 03
				14,910 27	Bank of Kentucky,	-	-	643 01
Due from State Bank	-	-	7 95		Louisville	-	-	1,047 87
Due from other Branches—					Philadelphia Bank, Philadelphia,	-	-	44 00
Branch at Indianapolis,	-	-	1,009 89		Covington branch N. Bank Ky.,	-	-	728 96
Madison,	-	-	2,444 72		F. and Mechanics B. Steubenville	-	-	207 88
New Albany,	-	-	514 59		Amer. Exchange Bank, N. York,	-	-	478 79
Terre Haute,	-	-	384 10		Mech's Savings Inst'n, Louisville,	-	-	29,855 09
Fort Wayne,	-	-	8 00		Mer. and Mech's B'k Wheeling,	-	-	1,200 00
				4,369 25				86 88
Bank Ohio Life Insurance and					Sinking Fund acc't Sur. Rev.,	-	-	34,970 51
Trust Company	-	-	4,751 31		Suspense Account,	-	-	111 52
Lafayette Bank, Cincinnati,	-	-	501 71		Circulation,	-	-	10,615 00
U. States Bank, Philadelphia,	-	-	1,571 02					
H. H. Goodman & Co.,	-	-	8 00					

SALARIES, &c.

Rents Paid	-	-	-	-	None.
D. S. Major, President,	-	-	-	-	Salary not fixed.
W. B. Thurston, Cashier,	-	-	-	-	\$1000
H. K. Hobbs, Book Keeper,	-	-	-	-	500

The Real Estate owned by this Branch, say \$3,916 76, has not been held a year by this Bank, and is not yet advertised.

W. B. THURSTON, *Cashier.*

BRANCH BANK OF INDIANA, }
Terre-Haute, Dec. 2, 1840. }

SIR: I have the honor to hand enclosed herewith a statement showing the condition of this Branch on Saturday, November 21st, 1840, being the third Saturday of said month, at 2 o'clock, P. M. as required by the sixty-fifth section of the charter of the State Bank of Indiana.

I am, sir, with much respect,

Your obedient servant,

A. B. FONTAINE, Cash'r.

The Hon. the President of the Senate of Indiana.

Condition of the Branch at Terre-Haute of the State Bank of Indiana, on Saturday, November 21, 1840.

95

		Cr.	
Dr.			
Bills discounted,	- 152,800 59	Capital stock paid in,	- 206,000 00
Bills of Exchange,	- 32,405 85	Discount,	-
Suspended debt,	- 37,462 28	Exchange, } Profit and Loss, }	- 1,357 40
Banking House for this Branch,	11,618 93	School Fund,	- 461 63
“ for State Bank,	1,841 80	Unclaimed Dividend,	- 2,030 87
			2,492 50
Furniture,	- 656 25	Due to other Branches, viz:	
Current Expense,	- 514 38	Branch at Indianapolis,	- 3,002 07
Protest,	- 103 02	“ Lawrenceburgh,	- 384 10
		“ Richmond,	- 285 63
Due from other Branches and Banks, viz:		“ Madison,	- 1,168 47
Branch at Vincennes,	- 52 58	“ New-Albany,	- 1,286 36
“ Bedford,	- 5 25	“ Evansville,	- 84 25
“ Lafayette,	- 1,735 87	“ South Bend,	- 120 67
“ Fort Wayne,	- 68 25		6,331 55
		Due to other Banks, viz:	
Commercial Bank of N. Orleans,	39 40	Far. and M. Bank, Steubenville,	488 10
Merchants Bank of Baltimore,	1,605 70	Branch Bank of Illinois, Vandalia,	134 25
Bank of Illinois, Shawneetown,	76 88	Bank of Missouri, St. Louis,	160 00
Southwark Bank of Philadelphia,	25,597 48	Clinton Bank of Columbus, Ohio,	106 00
Union Bank of Maryland,	- 4 00	Bank of Kentucky,	- 2,852 12
Philadelphia Bank,	- 6,695 46	Bank of Louisville,	- 1,513 49
New-York Dry Dock Company,	12,900 93	Dry Dock Co. N. York, special ac't,	7 60
Franklin Bank of Cincinnati,	6,423 87		
Commercial Bank “	- 2 84		5,261 56

Northwestern Bank of Virginia,	2 25	Surplus Fund,	-	33,554 85
State of Indiana 6 per cent. bonds,	59,012 05	Commissioners of Sinking Fund,	-	5,975 85
Indiana Fund Commissioners,	29,696 75	Interest due us, and which we are not authorized to carry to our profit,	231,253 00	923 49
Treasury Warrant,		Circulation,	22,933 25	
Post checks on New-York, sus- pended and considered a desper- rate debt,	-	Individual deposits,		291,216 25
Cash, viz:	10,500 00			553,113 45
Notes on other Branches of the State Bank of Indiana, -	9,181 60			
Notes on Banks of other States,	17,400 00			
Specie: Silver, 93,497 52 } Gold, 22,012 27 }	130,509 79			
	157,090 79			
	553,113 45			

Officers in this Branch and their compensation per annum.

Dennis Deming, President,	\$1,000
Aaron B. Fontaine, Cashier,	1,200
Nathaniel Preston, Clerk,	800

D. DEMING, President.
A. B. FONTAINE, Cashier.

State of the Branch at South Bend of the State Bank of Indiana, on November 21, 1840.

Dr.		Cr.	
Bills Discounted,	\$140,496 36	Capitol Stock,	-
" of Exchange,	37,102 30	Dividend	139 43
Suspended Debt,	31,218 24	Premium,	47 56
		Exchange, Interest,	55
Banking House, including Lot			
for Banking House,	1,582 92	School Fund,	400 00
State Banking House,	1,841 80	Surplus Fund,	9,933 85
Other Real Estate,	5,000 00	Unclaimed Dividend,	1,041 85
Furniture,	501 21	Commissioners of Sinking Fund,	383 50
Current Expense,	44 78	State of Indiana, Int. Imp't Fund,	1,953 29
Protest,	86 10		
			13,615 49
Due from other Banks:		Due to other Branches:	
Bank of Michigan,	787 69	Branch at Indianapolis,	313 69
" Buffalo,	497 71	" Lawrenceburgh,	50 00
Branch of Farmers' and Mech.		" Terre Haute,	225 62
Bank, St. Joseph,	9,888 93	" Madison,	81 87
Albany City Bank,	2,493 33	" Lafayette,	162 93
		" Fort Wayne,	517 09
State Bonds,	10,000 00	" Michigan City,	6,828 59
Remittance,	2,704 07		
		Due to other Banks:	
		City Bank, New-York,	468 81
		Seneca County Bank,	1 50
		Circulation,	
			470 31
			189,296 00
			8,179 19
			187 54
			96,718 75

Cash, viz.—					
Other Branch Paper,	-	1,942 00		Individual Depositors,	14,442 73
" Bank Paper,	-	5,539 00	7,481 00	Certificates,	1,012 96
					15,455 69
Specie—					
Silver,	-	64,832 39			
Gold,	-	4,364 14	69,196 53		
					\$323,922 97

The Officers of this Institution are—

A President, who receives no compensation: A Cashier, who receives \$1,100 per annum: A Teller, who receives \$900 per annum. Annual rent paid for Banking House, \$275.

H. CHAPIN, *Cashier.*

State of the Branch at Michigan City, of the State Bank of Indiana, on Saturday, Nov. 21st, at 2 o'clock P. M. 1840.

Dr.		Cr.	
Bills Discounted	116,773 40	Capital Stock paid in	120,000 00
Domestic Bills of Exchange	55,032 04	Discount	432 67
Suspended Debt, on Personal security	34,818 28	Exchange	116 28
	206,623 72		548 95
Banking House	1,111 00	Circulation	209,725 00
" for State Bank	1,841 80	Individual Deposites	9,122 17
Furniture and Fixtures	620 20	School Fund	400 00
Cash, viz:		Unclaimed Dividend	1,134 88
Silver	83,562 94	Deposites by, and Dues to other	
Gold	1,805 58	Branches and Banks, viz:	
Other branches State Bank of Indiana	40,549 00	Branch at Indianapolis	165 99
Other State Banks	2,531 00	New Albany	3 20
Checks and Certificates	71 00	Lafayette	160 66
		Fort Wayne	40 00
	128,519 52		369 85
Current Expense	79 23	Other Banks;	
Com's of Sinking Fund	242 50	Bank of Norwalk, Ohio	32 56
Protest account	33 90	State Bank of Illinois	41 30
Deposites in, and dues from other branches and Banks, viz:		Agency of do at Chicago	1,778 79
Branch at Madison	41 14	Girard Bank, Philadelphia	10 00
South Bend	6,831 09		1,862 65
	6,872 23	Indiana Fund Commissioners, Dividend No. 3	2,400 00
		Surplus Revenue Fund	200 00

		Certificates of Deposit
		Surplus Fund
Other Banks;		
City Bank, New York	3,047 19	5,313 22
Rochester City Bank	209 45	8,441 05
Merchants' Exchange Bank, Buff.	75 37	
Silver Creek Bank, New York	1 00	
	3,333 01	
Remittances, New York	50 00	
Detroit	180 66	
Lafayette	10 00	
	240 66	
Indiana 6 per ct. State Bonds	10,00 00	
	\$359,517 77	\$359,517 77

Officers and Salary.

Joseph Orr, President, Salary,	\$500 a year.
A. P. Andrew, Jr., Cashier, Salary	1200 a year.
Samuel Gordon, Jr., Teller, "	600 "
John B. Niles, Attorney, "	75 "

A. P. ANDREW, Jr., Cashier.

EVANSVILLE BRANCH BANK,
26th November, 1840.

The Board of Directors of the Evansville Branch of the State Bank of Indiana, beg leave to report to the General Assembly of Indiana, that the enclosed exhibits a statement of the condition of the said Branch, as the same was found on the 21st day of November 1840, and contains all the items required to be reported upon, by the 65th section of the Charter of said Bank, with the exception of the number of officers and servants in this Branch, and the amount of compensation to each, which are as follows:

John Mitchell, President, no Salary.

John Douglass, Cashier, \$1,200 per annum.

Horace Dunham, Clerk, \$600 per annum.

All which is respectfully submitted.

JOHN MITCHELL, Pres't.

JOHN DOUGLASS, Cashier.

Bills Discounted	164,041 56	Capital Stock paid in	190,600 00
Domestic Bills of Exchange	31,628 13	Discount	282 30
Suspended Debt, on Bills	5,000 00	Exchange	135 24
	<u>200,669 69</u>		
Banking House	28,020 62	Surplus Fund	13,279 84
State Banking House	1,841 80	Permanent Fund	424 75
	<u>29,862 42</u>	Sinking Fund	897 75
Current Expense	11 72	Unclaimed Dividends	2,414 25
Deposites in, and Dues from other		Suspended Interest	7,870 31
Branches and Banks, viz:			<u>24,886 90</u>
Branch at Vincennes	2,014 12	Deposites by, and Dues to other	
Terre-Haute	85 94	Branches and Banks, viz:	
Lafayette	292 76	Branch at Madison	229 09
	<u>2,392 82</u>	New Albany	30
Bank of Baltimore	292 00		<u>229 39</u>
Bank of Missouri	400	Bank of Kentucky	99 80
Ohio Life Insurance and Trust		Bank of Louisville	2,245 89
Company, Cincinnati	161 98	Louisville Savings Institution	192 92
Merchants Bank, Wheeling	4 00	Commercial Bank of Cincinnati	3,280 27
New Orleans Canal and Banking Co.	22 57	Phoenix Bank, New York	1,598 28
	<u>880 55</u>	Merchants' Bank New York	1,762 46
Commissioners of Canal Fund	101,724 65	Bank of Illinois, Shawneetown	524 50
State Bonds	19,000 00	do Lawrenceville	100 00
State Bank	198 00	Lafayette Bank, Cincinnati	503 61
	<u>120,922 65</u>	Mechanics and Traders' Bk, Cin.	109 37

CASH, viz:

Other branches of State

Bank of Indiana

Other State Banks

Gold

Silver,

8,476 00

1,970 00

840 60

60,796 08

72,082 68

Exchange Bank, Cincinnati

Exchange Bank, Pittsburgh

Western Reserve Bank

Branch Bk. Linn, Clarksville, A.

Farmers & Mechanics' Bank, Steu-

benville

American Exchange Bank

87 20

950 94

253 20

136 50

205 85

240 52

12,291 31

Individual Deposits

Circulation

18,566 39

179,831 00

198,397 39

426,822 53

426,822 53

JOHN DOUGLASS, Cashier.

FORT WAYNE BRANCH.

To the Honorable the President of the Senate of the State of Indiana: The following is respectfully submitted, in conformity with the 65th section of the charter of the State Bank of Indiana, as the condition of the Branch at Fort Wayne, on Saturday, November 21st, 1840.

Dr.		Cr.
Notes Discounted,	- - 254,146 07	Capital Stock, - - - 160,000 00
Bills of Exchange,	- - 12,237 85	Circulation, - - - 286,074 00
Suspended Debt,	- - 19,088 52	Individual Deposits, - - - 25,754 89
	<u>285,472 44</u>	Permanent School Fund, - - - 400 00
Banking-house and lots of this branch	15,523 05	Surplus Fund, - - - 27,172 59
Banking-house of State Bank,	1,841 80	Commissioners Sinking Fund, - - - 5,132 38
Other Real Estate,	2,611 25	Fund Commissions of Indiana, - - - 1,308 32
	<u>19,976 10</u>	Due to other Branches of State Bank, - - - 369 92
Furniture and Fixtures	- - - 620 88	Due to other Banks, - - - 150 00
Protest - - -	- - - 22 25	Dividends, - - - 2,608 14
Fund Commissioners of Indiana,	- - - 52,238 25	Suspended Interest, - - - 2,995 57
Due from other Branches of S. B'k,	- - - 964 35	Profit and Loss, - - - 464 79
Due from Phoenix Bank, N. Y.	33,414 41	
Due from all other Banks,	1,901 07	
	<u>35,315 48</u>	<u>\$512,430 60</u>
Bank Stock,	- - - 343 00	
Suspense Account,	- - - 426 46	
Remittance,	- - - 1,520 30	

Cash, viz.	
Indiana Treasury Notes, -	6,700 00
Notes of other Branches, -	700 00
Notes of State Banks, -	26,223 00
Silver, -	71,294 38
Gold, -	10,613 71
	115,531 09
	\$512,430 60

Officers of the Branch are as follows:

Allen Hamilton, President, no salary.
H. McCulloch, Cashier, \$1,200 per annum.
M. W. Hubbell, Teller, \$850 per annum.

The real estate owned by this Branch, except that used for banking purposes, was taken to secure a debt due the Branch. It has been duly offered at public sale, but was not sold, no bid having been made for it equal to the cost.

H. McCULLOCH, Cashier.

State Bonds, - - -	29,000 00	Suspended Interest Account, - - -	3,052 23
Due from other Banks, viz:		Due to other Banks, viz:	
Bank of Louisville,		Union Bank of Louisiana,	
Bank of Kentucky,		Bank of Louisville,	
Northern Bank at Louisville,		Bank of Kentucky,	
Louisville Savings' Institut'n,		Northern Bank, at Louisv.	
Merchants' Bank, N. York,		Louisville Savings' Institu.	
Morris Canal and Banking		M. and M. Bank, Wheeling,	
Company,	17,834 44	Merchants' Bank, N. York,	
Girard Bank, Philadelphia,		Morris Canal and Banking	
Union Bank of Louisiana,		Company,	
Commercial Rail-road Bank,		Girard Bank, Philadelphia,	36,356 45
M. and M. Bank, Wheeling,		M. Sav. Institu. Louisville,	
Phoenix Bank, New York,		Bank of Pittsburg,	
Bank of North America,		Exchange Bank, Pittsburg,	
M. Sav. Institu., Louisville,		M. and M. Bank, Pittsburgh,	
Bank of Missouri,		T. and M. Bank, Steubenv.	
Commercial Bank of Cincin.,		Bank of Missouri,	
Cash, viz:		New Albany Insur. Comp.	
Other Branches of State Bank		Mechanics' Bank, Newark,	
of Indiana, - - -	14,159 00	Commercial Bank, Cincin.	
Other State Banks, - - -	10,056 00	Bank of Baltimore.	
Silver, - 67,088 82		Sinking Fund Commissioners, - - -	3,200 00
Gold, - 3,563 31		Circulation, - - -	165,647 00
	70,652 13	Individual Deposites, - - -	15,509 43
	<u>94,867 13</u>		<u>181,156 43</u>
	Dollars, -		Dollars, -
	485,239 77		485,239 77
			J. R. SHIELDS, Cashier.

WE, the undersigned, President and Cashier of the Branch of the State Bank of Indiana, at New Albany, do hereby certify that the foregoing exhibits a true and correct state of the Bank, as it was at the closing of the Bank at 2 o'clock, P. M. on Saturday the 21st day of November, 1840. The officers and clerks of this Bank, are, a President, whose salary is \$1,000 per annum; a Cashier, whose salary is \$1,500 per annum; a first clerk, whose compensation is \$800, and a second clerk whose compensation is \$500 per annum.

Given under our hands, this 21st day of November, 1840.

M. C. FITCH, President.

J. R. SHIELDS, Cashier.

ANNUAL REPORT
OF THE
STATE BANK OF INDIANA,

Read and referred to committee on State Bank.

Hon. SAMUEL HALL,
President of the Senate:

Herewith is the annual report (printed) required from the State Bank, also manuscript tables showing its condition, and other matters named in the 65th section of the charter, which have been usually printed in connection with the reports sent up from the Branches.

I have the honor to be, &c.,

S. MERRILL.

STATE BANK, Dec. 12, 1840.

Statement of the Condition of the State Bank of Indiana, on November 21, 1840.

Dr.	Cr.
Bills Discounted on Personal Security, - - - - -	2,514,629 21
Domestic Bills of Exchange, - - - - -	796,316 76
	3,310,945 97
Suspended Debt—	
On Personal Security - - - - -	305,792 36
Domestic Bills, - - - - -	45,729 43
Bonds and Mortgages, - - - - -	27,127 91
	378,649 70
Real Estate—	
Banking-houses, - - - - -	198,950 48
Other Property, - - - - -	24,679 92
	223,630 40
Expense—	
Furniture and Fixtures, - - - - -	6,533 39
Deposites in, and dues from, other Branches and Banks, viz:	
From other Banks to Branches,	32,477 53
Branches to other Branches:	
Branch at Indianapolis, - - - - -	47,449 27
Branch at Lawrenceburgh, - - - - -	16,394 21
Branch at Richmond, - - - - -	15,309 74
Branch at Madison, - - - - -	60,078 15
Branch at New Albany, - - - - -	17,834 44
Capital Stock paid in by	
the State, - - - - -	1,304,950 00
Do. Individuals, - - - - -	1,366,668 75
	2,671,618 75
Discounts, &c., - - - - -	- - - - -
Dividend not drawn, - - - - -	- - - - -
Tax for School purposes, - - - - -	- - - - -
Surplus Fund, - - - - -	- - - - -
Sinking Fund and other cash items, - - - - -	- - - - -
Deposites by, and dues to, other Branches and Banks, viz:	
To other Banks from Branches, - - - - -	- - - - -
To Branches from other Branches:	
Branch at Indianapolis, - - - - -	1,648 78
Branch at Lawrenceburgh, - - - - -	34,970 51
Branch at Richmond, - - - - -	1,982 64
Branch at Madison, - - - - -	47,213 80
Branch at New Albany, - - - - -	36,356 45
Branch at Evansville, - - - - -	12,291 31
Branch at Vincennes, - - - - -	3,542 36
Branch at Bedford, - - - - -	1,852 21
Branch at Terre Haute, - - - - -	5,261 56
Branch at Lafayette, - - - - -	1,227 16
Branch at Fort Wayne, - - - - -	150 00
	34,414 09

From Branch at South Bend,	13,667 66	
Branch at Evansville,	880 55	
Branch at Vincennes,	4,077 37	
Branch at Bedford,	16,956 60	
Branch at Terre Haute,	53,348 81	
Branch at Lafayette,	20,501 38	
Branch at Fort Wayne,	35,315 48	
Branch at Michigan City,	3,333 01	305,146 67
Bonds of the State of Indiana,	- -	294,000 00
State of Indiana, by the Fund		
Commissioners,	- -	634,413 80
Interest, remittances & other		
cash items,	- -	76,636 60
Bank Notes on hand:		
Other Brs. of the State Bank,	- -	165,524 00
Other Banks and Checks,	- -	166,251 55
Specie:		
Silver,	989,538 25	
Gold,	87,013 69	
		1,076,551 94
		<u>\$6,670,761 55</u>

To Branch at South Bend, - 470 31
 Branch at Michigan City, 1,862 65

148,829 74

Circulation, - - 2,865,568 00
 Between the Branches, 165,524 00
 Individual Deposites, - - - 3,031,092 00
297,772 86
\$6,670,761 55

JAMES M. RAY, *Cashier.*

OFFICERS AND COMPENSATION.

STATE BANK.

Samuel Merrill, President,	1,500
James M. Ray, Cashier,	1,500
Jacob B. McChesney, Clerk,	200

BRANCHES.

Indianapolis.

Hervey Bates, President,	500
B. F. Morris, Cashier,	1,500
T. H. Sharpe, Teller,	1,200
J. P. Southard, Clerk,	500

Lawrenceburgh.

D. S. Major, President, (salary not fixed),	1,000
W. B. Thurston, Cashier,	500
H. K. Hobbs, Book-keeper,	

Richmond.

A. C. Blanchard, President,	500
Elijah Coffin, Cashier,	1,500

Madison.

J. F. D. Lanier, President,	1,000
John Sering, Cashier,	1,500
I. C. Lea, 1st Clerk,	700
S. B. Sering, 2d do.	400

New-Albany.

Mason C. Fitch, President,	1,000
James R. Shields, Cashier,	1,500
V. A. Pepin, 1st Clerk,	800
William E. Fitch, 2d do.	500

Evansville.

John Mitchell, President,	1,200
John Douglass, Cashier,	600
Horace Dunham, Clerk,	

Vincennes.

D. S. Bonner, President,	1,200
John Ross, Cashier,	600
G. W. Rathbone, Clerk,	

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 . 800

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 . 1,300
 . 900

 . 1,100
 . 900

 . 500
 . 1,200
 . 600

Cashier.

OFFICERS AND COMPENSATION.

STATE BANK.

Samuel Merrill, President,		1,500
James M. Ray, Cashier,		1,500
Jacob B. McChesney, Clerk,		200

BRANCHES.

Indianapolis.

Hervey Bates, President,		500
B. F. Morris, Cashier,		1,500
T. H. Sharpe, Teller,		1,200
J. P. Southard, Clerk,		500

Lawrenceburgh.

D. S. Major, President, (salary not fixed,)		1,000
W. B. Thurston, Cashier,		500
H. K. Hobbs, Book-keeper,		

Richmond.

A. C. Blanchard, President,		500
Elijah Coffin, Cashier,		1,500

Madison.

J. F. D. Lanier, President,		1,000
John Sering, Cashier,		1,500
I. C. Lea, 1st Clerk,		700
S. B. Sering, 2d do.		400

New-Albany.

Mason C. Fitch, President,		1,000
James R. Shields, Cashier,		1,500
V. A. Pepin, 1st Clerk,		800
William E. Fitch, 2d do.		500

Evansville.

John Mitchell, President,		1,200
John Douglass, Cashier,		600
Horace Dunham, Clerk,		

Vincennes.

D. S. Bonner, President,		1,200
John Ross, Cashier,		600
G. W. Rathbone, Clerk,		

STATEMENT of the business of each Branch of the State Bank of Indiana, at 2 o'clock P. M., Saturday, November 21, 1840.

RESOURCES.

BRANCH.	Bills Discounted.	Bills of Exchange.	Branch Balances.	Other Bank Balances.	Banking Houses.	Other Real Estate.	Furniture.	State Bonds.	State by Fund Commissioners.	Remittances, Interest, and other Cash Items.	Notes of other branches.	Notes of other B'ks.	Specie.
Indianapolis - -	208,139 01	153,965 26	3,351 42	47,449 27	31,129 33		899 70	39,000 00	87,868 50	7,089 25	10,202 00	4,785 00	88,599 52
Lawrenceburgh -	298,906 18	101,066 69	4,369 25	16,394 21	11,087 58	3,016 76	761 65	52,000 00	52,315 59	2,699 79		10,745 00	78,543 06
Richmond - -	207,245 45	61,062 82	5,990 03	15,309 74	5,102 70		288 16	39,000 00	16,393 85	101 50	25,176 00	17,485 00	94,038 58
Madison - -	285,422 32	137,792 38	1,097 08	60,078 15	10,456 47		599 24	38,000 00	28,741 62	18,225 00	3,000 00	12,570 55	89,699 59
New Albany - -	189,780 38	62,916 16	2,652 04	17,824 44	34,443 05			29,000 00	53,171 13	111 32	14,159 00	10,056 00	70,652 13
Evansville - -	164,041 56	36,628 13	2,392 82	880 55	29,862 42			19,000 00	101,724 65	198 00	8,476 00	1,970 00	61,636 68
Vincennes - -	225,185 50	23,990 02	1,397 52	4,077 37	22,050 80		829 08		38,135 51		16,880 00	26,525 00	87,080 37
Bedford - -	176,128 20	94,815 18	1,102 10	16,956 60	3,414 68	1,300 00	141 70		21,564 08	235 63	17,648 00	10,297 00	75,375 51
Terre-Haute - -	190,262 87	32,405 85	1,861 85	53,348 81	13,460 75		656 25	58,000 00	29,696 75	15,815 07	9,811 00	17,400 00	130,509 79
Lafayette - -	302,897 14	33,031 51	426 74	20,501 38	14,200 35	9,551 91	615 34		152,563 87	19,770 80	7,611 00	20,125 00	63,943 57
Fort Wayne - -	273,234 59	12,237 85	964 35	35,315 48	17,364 85	2,611 25	620 88		52,238 25	9,012 01	700 00	26,223 00	81,908 09
South Bend - -	174,714 60	37,002 30		13,667 66	3,424 72	5,000 00	501 21	10,000 00		2,790 17	1,942 00	5,539 00	69,196 53
Michigan City -	151,591 68	55,032 04	6,572 23	3,333 01	2,952 80		620 26	10,000 00		588 06	40,549 00	2,531 00	85,368 52
	\$2,847,549 48	\$42,046 19	\$2,477 53	\$305,146 67	\$198,950 48	\$24,679 92	\$6,533 36	\$294,000 00	\$634,413 80	\$76,636 60	\$165,524 00	\$166,251 55	\$1,076,551 94

LIABILITIES.

BRANCH.	Capital Stock.		Notes in Circulation.	Branch balances.	Other Bank balances.	Dividend not drawn.	Tax for school purposes.	Surplus Fund.	S. F'd and other cash items.	Individual deposits.	Profit and loss.
	State.	Individual.									
Indianapolis, -	125,300 00	170,000 00	291,649 00	2,554 95	1,648 78	4,705 82	850 00	22,327 33	17,153 12	42,725 94	3,563 32
Lawrenceburgh, -	112,000 00	170,000 00	233,719 00		34,970 51	3,259 48	850 00	46,430 07	10,859 70	18,826 69	990 31
Richmond, -	106,000 00	113,150 00	231,485 00		1,982 64	3,429 31	625 00	19,802 92	2,241 08	20,595 20	1,082 68
Madison, -	147,150 00	171,000 00	233,535 00	7,580 26	47,213 80	1,564 94	855 00	26,555 80	8,889 93	38,289 52	3,048 15
New Albany, -	112,000 00	87,100 00	165,647 00	1,381 09	36,356 45	3,262 69	435 50	37,718 31	24,310 26	15,509 43	1,054 92
Evansville, -	105,650 00	84,950 00	179,831 00	229 39	12,291 31	2,414 25	424 75	13,279 84	8,768 06	18,566 39	405 82
Vincennes, -	80,000 00	83,750 00	240,635 00	3,459 43	3,542 36	2,489 96	400 00	17,359 25	2,189 13	11,400 14	925 88
Bedford, -	87,150 00	87,150 00	202,305 00	213 63	1,852 21	2,194 31	435 75	13,555 04	7,657 48	14,586 17	1,879 09
Terre Haute, -	113,650 00	92,350 00	261,253 00	6,331 55	5,261 56	2,030 87	461 63	30,554 85	6,899 34	32,963 25	843 02
Lafayette, -	111,050 00	135,500 00	305,938 00	3,746 83	1,227 16	4,669 23	674 88	23,637 20	24,405 52	33,977 38	412 41
Fort Wayne, -	80,000 00	80,000 00	256,074 00	369 92	150 00	2,608 14	400 00	27,172 59	9,436 27	25,754 89	464 79
South Bend, -	65,000 00	31,718 75	189,296 00	8,179 19	470 31	1,041 85	400 00	9,936 85	2,236 79	15,455 69	142 76
Michigan City, -	60,000 00	60,000 00	209,725 00	369 85	1,862 65	1,134 88	400 00	8,441 05	7,913 22	9,122 17	469 72
	\$1,304,950 00	\$1,366,668 75	\$3,031,092 00	\$34,416 09	\$148,829 74	\$34,505 73	\$7,212 51	\$296,771 10	\$132,959 90	\$297,772 86	\$15,282 87

(To follow page 111 Doc. Journal.)

Samuel Merrill
James M. Ray
Jacob B. McC

Hervey Bates
B. F. Morris,
T. H. Sharpe,
J. P. Southard

D. S. Major,
W. B. Thurston
H. K. Hobbs

A. C. Blanchard
Elijah Coffin,

J. F. D. Lani
John Sering,
I. C. Lea, 1st
S. B. Sering,

Mason C. Fi
James R. Shi
V. A. Pepin,
William E.

John Mitchell
John Douglas
Horace Dur

D. S. Bonnell
John Ross,
G. W. Rat

Bedford.

William McLean, President,		700
D. R. Dunihue, Cashier,		1,000
Isaac Rector, Clerk,		400

Terre-Haute.

Demas Deming, President,		1,000
A. B. Fontaine, Cashier,		1,200
Nathaniel Preston, Clerk,		800

Lafayette.

J. S. Hanna, President,		400
R. Mullikin, Cashier,		1,300
A. P. Linn, Teller,		900
G. H. Harris, Book-keeper, notarial fees,		

Fort Wayne.

Allen Hamilton, President,		
Hugh McCulloch, Cashier,		1,200
M. W. Hubbell, Teller,		850

South Bend.

Tyra W. Bray, President,		
Horatio Chapin, Cashier,		1,100
John Grant, Teller,		900

Michigan City.

Joseph Orr, President,		500
A. P. Andrews, jr. Cashier,		1,200
Samuel Gordon, jr. Teller,		600

JAMES M. RAY, *Cashier.*

Office of the State Bank, Dec. 12, 1840.

MR. CRAVENS' REPORT

FROM THE

SELECT COMMITTEE

ON

MODIFICATION.

JANUARY 1, 1841.

Read, laid on the table, and 300 copies ordered to be printed.

MR. PRESIDENT:

The select committee to which was referred so much of the Governor's Message as relates to a modification of the system of internal improvements, have directed me to report:

That your committee directed their attention to the existing laws on the subject, the condition of the works, the amount of the original appropriations which have been expended on them respectively, and the probable ultimate cost of their completion. They also took into consideration the merits of each work considered as a channel of commerce and its productiveness in tolls. The first act on the subject in 1836, provided for the construction of *nine* works, viz: The Madison, Indianapolis and Lafayette Rail-road; the Central Canal; the White-water Canal; the Jeffersonville and Crawfordsville Turn-pike; the New Albany and Vincennes Road; the Cross-cut Canal; the extension of the Wabash and Erie Canal; the Lawrenceburgh and Indianapolis Rail-road; and a Canal from Fort Wayne to Lake Mich-

igan at or near Michigan City; and appropriated for the completion of *seven* of those works the sum of ten millions of dollars. The same act established a Board of Internal Improvements consisting of nine members on the representative principle. This Board was invested with almost unlimited discretion as to the manner of applying the appropriations on the several works; while they were so constituted that each member was interested in securing an immediate application of a portion of the funds appropriated to the work which he represented on the board. The inevitable consequence of this arrangement was that the funds borrowed from time to time to meet the appropriations of the act were applied at many different points at the same time, involving the state in a great number of burdensome undertakings, at remote points from each other, which not only put off, to a remote and indefinite period, the ultimate completion of any one work, but greatly enhanced the price of the labor and materials employed in their construction. By this arrangement also, the sums expended must necessarily remain unproductive until the entire system, in all its gigantic proportions, could be fully completed.

It is now five years since the passage of this act, and six millions eight hundred and five thousand eight hundred and ninety-four dollars have been expended without the completion of a single work, or the accomplishment of any of the objects designed by the framers of the system. The modifications which the original act has undergone since its passage are considerable, but not enough, as your committee conceive, for the public good. The most important of these modifications, was in the reduction of the number of the board of Internal Improvement, first from nine to three, and subsequently to two members; thereby destroying in some degree the force of the representative principle in the Board of public works. But while the same combination of interests exists, to which the act establishing the system owes its origin, your committee apprehend great mischiefs from entrusting a Board with unlimited discretion in the application of the sums appropriated to the several works; more especially when we consider that this Board owe their appointment to the legislature in which their various interests are represented, and are subject to instantaneous removal if a majority of the members representing those interests should be offended by a concentration of the public energies on any given work.

By the original act establishing the system, the Fund Commissioners were invested with power and required imperatively to borrow on the State stocks, sums of money sufficient to meet the requisitions of the Board of Internal Improvements, not exceeding the sum of ten millions of dollars appropriated by the original act. In pursuance of this act, they have sold bonds to the amount of eight millions one hundred and eighty-five thousand dollars for the prosecution of the system; of which sum one million eight hundred and sixty-six thousand, eight hundred and fifty-seven dollars has not been realized, and is in a very precarious situation.

Of the sum originally appropriated six millions eight hundred and

five thousand, eight hundred and ninety-four dollars have been expended. By adding the sum of four hundred thousand dollars, subsequently appropriated to the Madison and Indianapolis Rail-road, to the amount of ten millions originally appropriated to the public works, and deducting the amount expended on them, as stated above, we find the balance of unexpended appropriations on the public works to amount to the sum of three millions, five hundred and ninety-four thousand one hundred and six dollars.

An opinion has very generally prevailed through the community, that the act of last winter for the relief of contractors, prohibited the Fund Commissioners from making any further sales of State Bonds to meet the requisitions of the Board of Internal Improvements for the prosecution of the public works. On a careful perusal of this act, your committee have not been able to discover any such provision. Nor do they find any prohibition restraining the Board of Public Works from making additional lettings to the extent of the unexpended appropriations. The act last alluded to offers a bonus to the present contractors to relinquish their contracts, and provides for the issue of one and a half millions of dollars in Treasury Notes, directing the manner of their issue and payment to contractors, and provides for their ultimate redemption. This is the sum of the provisions of this act. Another act of last session reduces the number of the Board of Internal Improvements and Engineers, but it is also void of any prohibition as to the making of new lettings or the sale of State Bonds to the extent of the original appropriations.

On a careful examination of the whole subject, your committee discover the Board of Internal Improvements are as much unrestrained by enactments as they ever were. It is true that prior to the last session of the Legislature, the Fund Commissioners were unable to make such sales of the State Bonds as were requisite for the operations of the Board of Internal Improvements; in consequence of which, said Board issued an order temporarily suspending further operations on the public works. The legislation of last winter adapted itself to this state of facts; dispensing with the services of certain officers who had become useless, and dismissing, as far as practicable, the contractors for whom no pay had been provided. In the present state of our enactments, your committee conceive, that it requires nothing but an improvement in the stock market to renew operations on the public works on the old plan of a simultaneous prosecution of all the works. By the laws now in force, the original appropriations remain on the different works, and the Board of Internal Improvements are invested with full authority to make requisitions on the Fund Commissioners to meet those appropriations. Your committee can scarcely conceive a greater political calamity than the happening of such an event. The only means which suggests itself to your committee, by which so great an evil may be averted, is the plan proposed by which a portion of the unexpended appropriations is diverted from the works on which those appropriations now are, and applied to the two of the works which are likely to prove most productive. By this means

whenever operations are renewed, two works may be completed and a large interest detached from the System of Internal Improvements. Your committee, after considering the resources of the State, (both present and prospective,) consider it certain, that the State credit will revive in the course of a few years, so that bonds may be sold on terms as advantageous to the State as formerly; on the happening of which event, the existing laws direct a prosecution of the works to the extent of the appropriations. But your committee hope that the experience of the last few years, has taught us the necessity of concentrating the energies of the State on a single object, instead of practising on that system of wild enterprize by which every thing is begun and nothing completed. Your committee are deeply impressed with the belief, that the completion of two of these works are as much as the State can accomplish, and that these works are not likely for some years after they shall have been finished, to yield a sufficient profit to keep down the interest on the cost of their construction. But, on the other hand, your committee see the necessity of diverting the existing appropriations from works which are impracticable to those which are practicable; from works which are useless to those which are *comparatively* useful. The expediency of thus diverting these appropriations will be seen, by reflecting, that under the existing laws a large amount of the unexpended appropriations must be applied to works which are but slightly advanced; and if expended on these works, would leave them in a condition as remote from completion, as are the works named in the first and second classes of the bill herewith reported.

Your committee have thought it best to divert the appropriations from the works named in the third class, (in the bill herewith reported,) and apply so much thereof as may be necessary to the completion of the works named in the first and second classes, and to leave the works in the third class to be provided for by future legislation, if it should be thought expedient.

Your committee feel deeply impressed, however, with the opinion that it is expedient for the State forthwith to surrender, on the best terms practicable, the unfinished portions of the works named in the third class to such companies as may be formed for their completion, reserving to herself the completed parts of those works. Your committee would have no objection to the sale of the *finished* portions of those works, if the purchasers thereof could be relieved from the incumbrance on them imposed by the act of 1836. The profits of the works, by the terms of that act, are pledged for the payment of the public debt. Unless that incumbrance be removed, a sale of the finished portions of those works would be impracticable. The work named in the first class, besides being cheaper (its importance considered,) than any other work named in the system, is in such a situation, that it would cost the State nearly as much to abandon as to complete it; a large portion of the line above Brookville is in an unfinished condition, and the lettings made on it can only be annulled by the payment of heavy damages to contractors. A great number of farms have been

materially injured, as your committee have been informed, by the work which has been commenced, &c.

To abandon this work in its present condition would be to lose not only what has been expended, but to incur great additional expense in payments which would have to be made to the persons whose farms are injured by it. Should the State continue the work, the benefits conferred by it on those persons would be held as compensation for the injury sustained, and in most cases these advantages would be considered an adequate compensation.

The same reasoning will apply to the work named in the second class of the bill herewith reported, but with diminished force, as your committee are constrained to admit. It would be difficult for the State to abandon this work without incurring an expense nearly as great as by completing it. The present contractors on the work have refused to suspend their operations, and the State has no power to compel them to surrender their contracts. Your committee do not expect this work to yield the interest which the State must pay on the whole cost of its construction. Nor have they been able to convince themselves that the work will ever yield an annual sum sufficient to keep down the interest on the sum necessary to complete it. But, when the losses which the State will have to make good to the contractors and landed proprietors, in the event of the work being wholly abandoned, are taken into consideration, a majority of your committee are of opinion that the prosecution of this work as far as Indianapolis, would be perhaps less ruinous than its total abandonment. And the whole committee concur in the opinion that it would be better for the State to apply so much as may be necessary of the unexpended portion of the ten millions of dollars appropriated by the act of 1836 to this work, than to suffer those appropriations to be wasted on works which they cannot complete. If, by thus diverting former appropriations, the country immediately interested in the prosecution of this work could be detached from the whole system and be left free to act for the best interest of the State at large, your committee think the policy of placing this work in the second class and securing its ultimate completion, by applying to it a sufficiency of the appropriations above referred to to complete it, admits of no doubt.

Your committee therefore report the following bill, and recommend its passage.

REPORT

OF THE

PRESIDENT OF THE STATE BANK OF INDIANA.

JANUARY 6, 1841.

Referred to the committee on Finance, and 250 copies ordered to be printed.

STATE BANK OF INDIANA, }
January 5, 1841. }

Hon. SAMUEL HALL,
President of the Senate:

Sir: In obedience to a resolution of the Senate, of 31st ult., requesting me "to report to the Senate, as soon as practicable, the average aggregate amount of Discounts by the several Branches of this Institution, for and during each month of the last three years, setting out the discounts of each Branch separately," I herewith submit the annexed Exhibit, in which, is also embraced for convenience of reference the amount of Capital Stock at each Branch, on each date given; in another column is a statement of the Bills of Exchange purchased.

I am, very respectfully,
S. MERRILL.

ABSTRACT from reports of the Branches of the State Bank of Indiana.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1838. Jan'y 6.			
Indianapolis, . . .	266,336 11	62,860 29	160,000 00
Lawrenceburgh, . .	355,037 72	48,561 92	205,000 00
Richmond, . . .	257,201 64	7,500 00	160,000 00
Madison, . . .	316,902 24	134,042 23	240,000 00
New Albany, . . .	280,992 50	36,643 06	160,000 00
Evansville, . . .	234,466 41	52,538 47	160,000 00
Vincennes, . . .	253,764 85	12,558 40	160,000 00
Bedford, . . .	170,854 45	79,219 99	140,000 00
Terre Haute, . . .	187,264 18	57,278 32	160,000 00
Lafayette, . . .	451,822 31		200,000 00
Fort Wayne, . . .	264,311 00	26,186 01	155,687 50
Total, . .	\$3,038,953 41	517,388 69	1,900,687 50

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1838. Feb'y 3.			
Indianapolis, . . .	255,740 81	64,765 39	160,000 00
Lawrenceburgh, . .	358,101 02	90,886 79	205,000 00
Richmond, . . .	247,666 11	6,500 00	160,000 00
Madison, . . .	311,748 95	144,805 17	240,000 00
New Albany, . . .	279,964 81	35,208 60	160,000 00
Evansville, . . .	227,833 36	38,332 59	160,000 00
Vincennes, . . .	249,401 85	10,078 40	160,000 00
Bedford, . . .	167,317 21	77,314 76	140,000 00
Terre Haute, . . .	209,741 66	69,038 49	160,000 00
Lafayette, . . .	446,446 47		200,000 00
Fort Wayne, . . .	260,583 40	28,141 72	158,812 50
Total, . .	\$3,014,545 65	565,072 91	1,903,812 50

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1838. <i>March 3.</i>			
Indianapolis, . . .	258,777 27	49,390 96	160,000 00
Lawrenceburgh, . .	362,572 50	92,204 79	205,000 00
Richmond, . . .	247,622 46	6,999 85	160,000 00
Madison, . . .	313,367 38	134,375 41	240,000 00
New Albany, . . .	274,667 96	37,705 08	160,000 00
Evansville, . . .	221,765 34	37,486 44	160,000 00
Vincennes, . . .	243,679 87	10,978 40	160,000 00
Bedford, . . .	175,565 21	66,514 76	140,000 00
Terre Haute, . . .	223,407 51	64,976 66	160,000 00
Lafayette, . . .	446,239 98	653 63	200,000 00
Fort Wayne, . . .	268,951 45	23,514 83	158,812 50
Total, . . .	\$3,036,616 93	524,800 81	1,903,812 50

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1838. <i>Ap'l 14.</i>			
Indianapolis, . . .	266,715 27	44,120 96	160,000 00
Lawrenceburgh, . .	370,999 57	88,399 11	205,000 00
Richmond, . . .	240,144 49	4,299 85	160,000 00
Madison, . . .	315,541 75	131,185 23	240,000 00
New Albany, . . .	249,614 01	27,309 15	160,000 00
Evansville, . . .	207,907 11	32,280 00	160,000 00
Vincennes, . . .	257,732 35	16,134 79	160,000 00
Bedford, . . .	175,225 95	62,369 81	140,000 00
Terre Haute, . . .	240,918 57	77,085 01	160,000 00
Lafayette, . . .	415,471 66	2,030 88	200,000 00
Fort Wayne, . . .	273,086 43	21,323 92	158,968 75
Total, . . .	\$3,013,357 16	506,538 71	1,903,968 75

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>May 12, 1838.</i>			
Indianapolis, ...	269,325 18	21,997 67	160,000 00
Lawrenceburgh, . . .	364,481 66	62,553 18	205,000 00
Richmond, ...	238,099 15	8,000 00	160,000 00
Madison, ...	330,972 97	104,475 49	240,000 00
New Albany, ...	241,300 98	30,918 02	160,000 00
Evansville, ...	191,603 50	40,472 58	160,000 00
Vincennes, ...	253,882 60	15,972 19	160,000 00
Bedford, ...	178,042 99	54,854 25	140,000 00
Terre Haute, ...	230,475 02	62,100 77	160,000 00
Lafayette, ...	404,218 15	1,212 00	200,000 00
Fort Wayne, ...	272,972 43	20,125 47	158,968 75
Total, ...	\$2,975,374 63	422,681 62	1,903,968 75

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>June 9, 1838.</i>			
Indianapolis, ...	274,906 83	21,812 10	211,250 00
Lawrenceburgh, . . .	350,906 51	34,233 42	213,900 00
Richmond, ...	245,579 99	8,952 08	180,000 00
Madison, ...	320,560 22	107,428 14	240,000 00
New Albany, ...	256,853 49	32,300 67	160,000 00
Evansville, ...	184,207 00	37,608 02	160,000 00
Vincennes, ...	247,453 34	16,883 02	160,000 00
Bedford, ...	168,671 87	53,085 50	140,000 00
Terre Haute, ...	195,783 07	58,560 20	160,000 00
Lafayette, ...	387,057 06	812 00	200,000 00
Fort Wayne, ...	274,391 81	13,456 27	159,437 50
Total, ...	\$2,906,371 19	385,131 42	1,984,587 50

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>July 7, 1838.</i>			
Indianapolis, ...	285,426 84	15,589 54	213,150 00
Lawrenceburgh, ...	353,577 34	25,924 62	246,150 00
Richmond, ...	256,272 96	1,711 16	180,000 00
Madison, ...	318,901 29	87,267 04	240,000 00
New Albany, ...	256,842 41	31,203 84	199,100 00
Evansville, ...	178,894 50	29,561 51	180,000 00
Vincennes, ...	234,953 65	11,534 45	160,000 00
Bedford, ...	153,618 28	47,810 50	140,000 00
Terre Haute, ...	187,846 43	42,761 14	180,000 00
Lafayette, ...	384,820 03		200,000 00
Fort Wayne, ...	270,445 59	11,322 48	160,000 00
Total, ...	\$2,881,599 32	304,686 28	2,098,400 00

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>August 18, 1838.</i>			
Indianapolis, ...	305,710 84	17,903 34	215,750 00
Lawrenceburgh, ...	361,765 00	39,789 41	246,150 00
Richmond, ...	292,448 22	3,422 33	180,000 00
Madison, ...	332,970 85	74,071 96	240,000 00
New Albany, ...	255,637 10	21,173 45	199,100 00
Evansville, ...	168,881 00	34,399 17	180,000 00
Vincennes, ...	224,468 65	6,980 32	160,000 00
Bedford, ...	143,772 37	38,820 75	140,000 00
Terre Haute, ...	212,094 06	39,945 96	180,000 00
Lafayette, ...	377,843 88	5,842 80	200,000 00
Fort Wayne, ...	281,713 97	9,414 33	160,000 00
Total, ...	\$2,957,305 94	291,403 82	2,101,000 00

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>September 1, 1838.</i>			
Indianapolis, ...	300,337 57	23,103 34	213,250
Lawrenceburgh, ...	362,105 55	48,663 07	246,150
Richmond, ...	296,253 00	2,122 48	180,000
Madison, ...	237,378 39	81,803 65	240,000
New Albany, ...	263,266 05	36,077 95	199,100
Evansville, ...	182,488 63	36,020 23	180,000
Vincennes	225,442 17	6,545 78	160,000
Bedford, ...	148,408 40	38,270 75	140,000
Terre-Haute, ...	214,770 88	37,992 76	180,000
Lafayette, ...	377,843 88	5,482 80	200,000
Fort Wayne, ...	282,598 64	9,954 33	160,000
Total	2,990,893 16	326,037 14	2,098,500

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>October 13, 1840.</i>			
Indianapolis, ...	307,480 04	50,777 75	213,250
Lawrenceburgh, ...	431,677 65	54,896 84	246,200
Richmond, ...	278,755 32	4,456 93	180,000
Madison, ...	330,799 96	96,863 98	240,000
New Albany, ...	273,670 90	48,702 91	199,100
Evansville, ...	215,232 61	26,951 24	180,000
Vincennes, ...	244,424 32	6,142 44	160,000
Bedford, ...	167,639 14	48,390 25	140,000
Terre-Haute, ...	235,044 84	32,114 08	180,000
Lafayette	373,639 79	4,824 80	200,000
Fort Wayne, ...	291,446 94	8,525 30	160,000
Total, ...	\$3,149,811 71	382,646 52	2,098,550

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>November 17, 1838.</i>			
Indianapolis, ...	299,878 97	91,703 85	215,600
Lawrenceburgh, ...	439,534 09	66,750 40	282,000
Richmond, ...	272,179 87	7,456 93	180,000
Madison, ...	314,966 68	140,291 38	240,000
New Albany, ...	262,192 60	85,292 18	199,100
Evansville, ...	214,165 49	20,644 28	180,000
Vincennes, ...	250,784 32	8,392 44	160,000
Bedford, ...	181,969 01	65,308 26	140,000
Terre-Haute, ...	231,205 36	38,982 08	180,000
Lafayette, ...	384,691 15	4,605 15	200,000
Fort Wayne, ...	283,749 30	14,457 00	160,000
Total, ...	\$3,135,316 84	543,883 95	2,136,700

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>December 8, 1838.</i>			
Indianapolis, ...	300,014 47	132,630 20	215,600 00
Lawrenceburgh, ...	449,406 28	87,250 73	282,000 00
Richmond, ...	255,937 70	56,145 76	180,000 00
Madison, ...	312,180 54	227,841 53	240,000 00
New Albany, ...	262,192 60	85,292 18	199,100 00
Evansville, ...	229,585 80	28,357 73	180,000 00
Vincennes, ...	259,008 99	12,790 09	160,000 00
Bedford, ...	188,512 52	86,045 50	140,000 00
Terre-Haute, ...	295,414 55	13,676 40	191,581 25
Lafayette, ...	378,516 69	10,605 15	200,000 00
Fort Wayne, ...	292,579 30	11,506 39	160,000 00
South Bend, ...	56,361 69	5,000 00	80,000 00
Total, ...	3,279,711 13	757,141 66	2,228,281 25

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTE.	BILLS EXCHANGED.	CAPITAL STOCK.
<i>1839. Jan. 5.</i>			
Indianapolis, . . .	289,873 62	161,968 43	216,350 00
Lawrenceburgh, . .	454,821 06	96,989 83	282,000 00
Richmond, ...	254,867 83	71,350 00	180,000 00
Madison, ...	307,269 79	282,111 11	240,000 00
New-Albany, . . .	246,017 79	128,710 80	199,100 00
Evansville, ...	243,006 77	34,406 15	180,000 00
Vincennes, ...	273,083 58	51,625 84	160,000 00
Bedford, ...	195,256 27	103,420 50	140,000 00
Terre-Haute, . . .	295,683 67	70,887 68	191,953 11
Lafayette, ...	390,541 33	27,036 60	200,000 00
Fort Wayne, . . .	293,996 14	11,933 89	160,000 00
South Bend, . . .	104,384 47	10,000 00	80,000 00
Total, ...	3,338,802 32	1,050,440 83	2,229,403 11

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Feb'y. 16.</i>			
Indianapolis, . . .	303,353 52	184,739 29	218,500
Lawrenceburgh, . .	459,415 40	97,677 04	282,000
Richmond, ...	267,147 60	85,465 55	191,000
Madison, ...	319,364 11	291,894 13	318,150
New-Albany, . . .	270,132 87	120,725 55	199,100
Evansville, ...	262,859 15	46,830 61	180,000
Vincennes, ...	311,272 92	76,621 93	160,000
Bedford, ...	186,191 67	118,252 35	140,000
Terre-Haute, . . .	314,326 30	89,591 41	205,050
Lafayette, ...	382,523 99	53,748 24	200,000
Fort Wayne, . . .	299,517 57	13,875 24	160,000
South Bend, . . .	104,302 08	16,085 25	80,000
	3,480,407 18	1,195,506 59	2,233,800

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAP. STOCK.
<i>1839. March 15.</i>			
Indianapolis, ...	315,995 15	168,120 79	229,300
Lawrenceburgh, ...	448,866 86	141,597 10	282,000
Richmond, ...	293,297 04	100,568 06	191,000
Madison, ...	363,819 89	306,283 80	318,150
New Albany, ...	303,594 34	117,438 84	199,100
Evansville, ...	266,792 65	79,065 51	180,000
Vincennes, ...	299,423 92	78,164 93	160,000
Bedford, ...	194,013 53	120,817 35	140,000
Terre-Haute, ...	259,069 47	173,043 29	205,100
Lafayette, ...	371,475 74	60,737 19	200,000
Fort Wayne, ...	297,232 80	17,482 23	160,000
South Bend, ...	116,744 07	36,085 25	80,000
Michigan City, ...	22,100 00	43,553 00	80,000
Total, ...	3,552,425 46	1,442,957 34	2,424,650

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAP'L. STOCK.
<i>April 15.</i>			
Indianapolis, ...	322,168 75	142,848 96	232,000
Lawrenceburgh, ...	515,581 71	119,938 05	282,000
Richmond, ...	292,833 29	74,177 43	211,000
Madison, ...	340,766 79	286,572 00	318,150
New-Albany, ...	306,181 80	90,832 05	199,100
Evansville, ...	257,554 59	74,252 81	180,000
Vincennes, ...	302,564 92	76,161 93	160,000
Bedford, ...	191,275 85	121,216 94	140,000
Terre-Haute, ...	257,984 62	167,451 91	205,950
Lafayette, ...	356,877 53	61,974 44	220,000
Fort Wayne, ...	299,720 90	18,941 33	160,000
South Bend, ...	121,416 51	32,981 50	80,000
Michigan City, ...	70,625 00	29,346 66	80,000
Total, ...	3,635,552 26	1,296,696 01	2,468,200

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>May 15, 1839.</i>			
Indianapolis, . . .	337,498 26	144,920 05	249,750
Lawrenceburgh, . . .	433,188 14	119,312 88	282,000
Richmond, ...	287,621 92	53,560 43	211,000
Madison, ...	324,736 81	245,695 50	318,150
New Albany, ...	300,588 20	77,034 20	199,100
Evansville, ...	235,068 16	85,448 59	180,000
Vincennes, ...	261,465 59	73,557 25	160,000
Bedford, ...	183,641 44	102,489 44	140,000
Terre Haute, ...	250,394 50	179,740 07	205,950
Lafayette, ...	349,601 53	61,574 44	220,000
Fort Wayne, ...	301,499 34	18,307 31	160,000
South Bend, ...	131,336 73	28,481 50	80,000
Michigan City, ...	84,825 00	39,820 00	80,000
Total, ...	\$3,481,465 62	1,229,941 66	2,485,950

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>June 15, 1839.</i>			
Indianapolis, ...	310,732 60	122,211	287,800
Lawrenceburgh, ...	425,937 45	130,364 20	282,000
Richmond, ...	285,246 33	50,716 19	211,000
Madison, ...	327,500 03	153,008 89	318,150
New Albany, ...	278,478 41	75,843 88	199,100
Evansville, ...	220,181 89	90,801 03	180,000
Vincennes, ...	234,625 67	47,475 85	162,050
Bedford, ...	196,610 60	89,601 89	140,000
Terre Haute, ...	234,879 60	166,789 64	205,950
Lafayette, ...	352,629 52	37,430 47	220,000
Fort Wayne, ...	294,241 36	26,354 35	160,000
South Bend, ...	136,768 69	28,160 47	80,000
Michigan City, ...	101,757 32	57,715 85	80,000
Total, ...	\$3,399,589 47	1,076,473 71	2,526,050

ABSTRACT--Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>July 15, 1839.</i>			
Indianapolis, . . .	318,115 36	109,896 64	295,300
Lawrenceburgh, . . .	428,228 07	112,139 58	282,000
Richmond, ...	276,895 20	35,738 76	211,000
Madison, ...	338,210 00	161,363 05	318,150
New Albany, ...	267,997 40	78,650 69	199,100
Evansville, ...	201,788 17	61,946 10	180,000
Vincennes, ...	225,838	47,265 68	162,050
Bedford, ...	184,448 24	89,128 02	154,300
Terre Haute, ...	240,920 43	151,902 73	205,950
Lafayette, ...	388,771 20	29,466 50	238,400
Fort Wayne, ...	295,123 47	25,990 33	160,000
South Bend, ...	142,784 02	31,893 66	80,000
Michigan City, ...	105,072 32	62,115 85	80,000
Total, ...	\$3,414,191 88	997,497 59	2,566,250

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>August 15.</i>			
Indianapolis, ...	312,980 48	83,117 02	295,300
Lawrenceburgh, ...	391,731 42	101,886 38	282,000
Richmond, ...	278,543 43	28,467 55	211,000
Madison, ...	335,542 17	151,569 91	318,150
New Albany, ...	258,767 67	76,356 80	199,100
Evansville, ...	188,945 17	45,951 60	180,000
Vincennes, ...	233,149	53,059 83	162,050
Bedford, ...	184,449 19	82,505 96	154,300
Terre Haute, ...	229,510 97	112,496 08	205,950
Lafayette, ...	390,279 43	26,666 50	244,950
Fort Wayne, ...	291,623 72	27,711 59	160,000
South Bend, ...	141,286 76	23,683 19	80,000
Michigan City, ...	105,115	63,795 95	80,000
Total, ...	\$3,341,924 41	877,268 26	2,572,800

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1839. <i>Sept.</i> 14.			
Indianapolis, - - .	291,633 83	89,129 53	295,300 00
Lawrenceburgh, . .	383,919 91	99,656 55	282,000 00
Richmond, ...	287,961 65	13,350 00	211,000 00
Madison, ...	337,357 75	136,524 78	318,150 00
New Albany, . . .	245,195 55	66,626 32	199,100 00
Evansville, ...	178,185 95	44,832 23	180,000 00
Vincennes, ...	252,203 51	54,855 57	162,050 00
Bedford, ...	187,969 82	81,740 07	154,300 00
Terre Haute, . . .	237,879 44	67,948 23	205,950 00
Lafayette, ...	372,257 71	14,600 00	245,200 00
Fort Wayne, ...	288,812 01	23,457 25	160,000 00
South Bend, ...	137,228 00	24,710 00	80,000 00
Michigan City, . . .	112,951 64	66,134 10	85,000 00
Total, ...	\$3,313,556 77	783,564 63	2,578,050 00

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1839. <i>Oct.</i> 15.			
Indianapolis, . . .	284,703 75	105,292 50	295,300 00
Lawrenceburgh, . .	382,763 02	112,415 69	282,000 00
Richmond, ...	296,747 90	7,200 00	211,000 00
Madison, ...	318,521 71	122,026 25	318,150 00
New Albany, ...	234,572 42	68,524 14	199,100 00
Evansville, ...	186,506 53	45,593 89	180,000 00
Vincennes, ...	250,294 18	46,679 64	162,050 00
Bedford, ...	184,297 38	80,389 60	154,300 00
Terre Haute, ...	223,820 38	46,354 65	205,950 00
Lafayette, ...	360,785 28	11,500 00	245,200 00
Fort Wayne, ...	284,954 81	18,088 26	160,000 00
South Bend, ...	159,954 00	27,610 00	85,000 00
Michigan City, . . .	127,688 11	45,960 00	85,000 00
Total, ...	\$3,270,609 47	737,634 62	2,583,050 00

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Nov. 16, 1839.</i>			
Indianapolis, ...	272,291 99	128,715 00	295,300 00
Lawrenceburgh, . . .	379,346 69	111,023 32	282,000 00
Richmond, ...	283,086 32	6,700 00	211,000 00
Madison, ...	331,220 15	93,348 30	318,150 00
New Albany, ...	220,745 45	75,835 09	199,100 00
Evansville, ...	187,718 84	33,644 89	190,600 00
Vincennes, ...	234,507 92	39,086 17	162,050 00
Bedford, ...	181,628 89	79,231 47	154,300 00
Terre Haute, ...	221,461 80	35,612 88	205,950 00
Lafayette, ...	356,755 03	10,500 00	245,600 00
Fort Wayne, ...	279,214 63	23,295 74	160,000 00
South Bend, ...	134,705 00	37,410 00	86,171 63
Michigan City, . . .	128,541 55	49,670 81	85,000 00
Total, ...	\$3,211,224 26	724,073 67	2,595,221 63

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Dec. 14, 1839.</i>			
Indianapolis, ...	274,321 28	192,787 34	295,300 00
Lawrenceburgh, . . .	375,274 61	115,720 88	282,000 00
Richmond, ...	268,607 40	55,100 00	211,000 00
Madison, ...	331,658 86	123,732 47	318,150 00
New Albany, ...	211,740 94	90,759 82	199,100 00
Evansville, ...	202,086 40	33,321 48	190,600 00
Vincennes, ...	236,155 92	38,331 27	163,750 00
Bedford, ...	181,165 09	90,264 44	154,300 00
Terre Haute, ...	273,729 42	37,569 07	206,000 00
Lafayette, ...	345,448 48	29,350 00	245,850 00
Fort Wayne, ...	281,587 86	28,035 57	160,000 00
South Bend, ...	154,502 34	36,863 00	86,234 38
Michigan City, . . .	119,652 44	54,934 43	85,000 00
Total, ...	3,255,931 04	926,769 77	2,597,284 38

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1840. Jan. 15,			
Indianapolis, . .	285,223 24	175,219 34	295,300 00
Lawrenceburgh, .	377,437 57	134,524 31	282,000 00
Richmond, . . .	243,949	88,900	211,000 00
Madison, ...	326,873 95	149,740 14	318,150 00
New Albany, . .	210,495 61	90,567 23	199,100 00
Evansville, . . .	208,153 66	32,319 25	190,600 00
Vincennes, . . .	254,225 74	24,920	163,750 00
Bedford, ...	186,143 55	93,387 82	154,300 00
Terre Haute, . .	291,161 40	48,797 82	206,000 00
Lafayette, . . .	333,788 69	46,731 25	245,850 00
Fort Wayne, . .	280,094 79	49,627 01	160,000 00
South Bend, . . .	167,541 34	45,500 50	96,515 63
Michigan City, . .	109,779 88	55,076 45	95,000 00
Total, . . .	\$3,217,682 18	1,092,557 58	2,617,565 63

Amount of State debt \$647,576 05, beside interest.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
February 15.			
Indianapolis, . .	259,685 93	170,873 02	295,300 00
Lawrenceburgh, .	362,134 93	135,849 05	282,000 00
Richmond, ...	234,389 70	89,666 85	211,000 00
Madison, ...	321,290 18	169,090 08	323,750 00
New Albany, . .	210,907 20	78,944 92	199,100 00
Evansville, . . .	200,596 27	35,343 78	190,600 00
Vincennes, . . .	247,073 45	33,160	163,750 00
Bedford, ...	186,598 94	93,758 61	154,300 00
Terre Haute, . .	296,070 67	67,281 30	206,000 00
Lafayette, . . .	328,534 89	55,016 25	245,950 00
Fort Wayne, . .	266,455 76	60,155 52	160,000 00
South Bend, . . .	177,014 49	38,221 75	96,578 13
Michigan City, . .	126,929 77	65,196 45	115,000 00
Total, . . .	\$3,217,682 18	1,092,557 58	2,643,328 13

Amount of State debt \$647,576 05, beside interest.

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>1840. March 14.</i>			
Indianapolis, . .	246,640 72	138,317 33	295,300 00
Lawrenceburgh, .	361,767 48	123,804 23	282,000 00
Richmond, . . .	233,706 60	91,604 61	211,000 00
Madison, ...	322,392 17	180,675 04	323,750 00
New-Albany, . .	221,575 27	73,833 91	199,100 00
Evansville, . . .	202,712 83	35,274 24	190,600 00
Vincennes, . . .	269,085 02	31,755 87	163,750 00
Bedford, ...	185,124 42	109,573 63	154,300 00
Terre-Haute, . .	226,996 62	141,106 55	206,000 00
Lafayette, . . .	328,421 88	54,912 17	245,950 00
Fort Wayne, . .	274,990 44	68,217 78	160,000 00
South Bend, . .	175,562 71	36,703 00	96,578 13
Michigan City, . .	124,015 31	67,385 24	120,000 00
Total, . . .	3,172,991 47	1,153,163 60	2,648,328 13

Amount of debt of the State, \$645,472 80, beside interest.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>April 15.</i>			
Indianapolis, . .	237,667 21	150,558 63	295,300 00
Lawrenceburgh, .	347,452 01	120,846 67	282,000 00
Richmond, . . .	235,095 44	96,993 35	217,900 00
Madison, ...	327,152 41	197,899 50	338,150 00
New-Albany, . .	221,271 68	65,555 36	199,100 00
Evansville, . . .	199,085 47	31,356 29	190,600 00
Vincennes, . . .	269,359 02	22,265 34	163,750 00
Bedford, ...	181,730 20	92,266 24	154,300 00
Terre-Haute, . .	178,782 51	172,464 87	206,000 00
Lafayette, . . .	323,386 63	54,562 17	246,000 00
Fort Wayne, . .	277,374 87	69,776 95	160,000 00
South Bend, . .	177,769 46	32,321 00	96,578 13
Michigan City, . .	124,570 49	63,110 94	120,000 00
Total, . . .	3,100,697 40	1,169,877 31	2,669,687 13

Amount of debt of the State, \$639,496 93, beside interest.

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>May 15, 1840.</i>			
Indianapolis, . . .	250,362 88	128,432 48	295,300 00
Lawrenceburgh, . .	354,724 96	91,196 45	282,000 00
Richmond, ...	229,067 41	91,930 59	217,900 00
Madison, ...	313,435 29	183,958 43	338,150 00
New Albany, . . .	223,645 39	60,915 46	199,100 00
Evansville, ...	194,827 39	26,909 69	190,600 00
Vincennes, ...	252,255 32	11,416 73	163,750 00
Bedford, ...	175,277 30	97,776 21	154,300 00
Terre-Haute, . . .	168,628 20	137,246 94	206,000 00
Lafayette, ...	320,392 96	52,800 00	246,150 00
Fort Wayne, . . .	276,307 90	57,883 95	160,000 00
South Bend, . . .	184,426 08	29,818 00	96,578 13
Michigan City, . .	129,848 09	67,430 94	120,000 00
Total, ...	3,073,199 17	1,037,715 87	2,669,828 13
Amount of State Debt, \$630,932 80, (besides interest.)			

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>June 15, 1840.</i>			
Indianapolis, . . .	241,019 15	149,392 74	295,300 00
Lawrenceburgh, . .	335,781 74	70,322 78	282,000 00
Richmond, ...	225,012 41	55,411 32	218,575 00
Madison, ...	294,705 41	176,442 10	338,150 00
New Albany, . . .	216,078 18	58,329 40	199,100 00
Evansville, ...	186,617 76	23,777 80	190,600 00
Vincennes, ...	241,491 61	14,122 13	163,750 00
Bedford, ...	173,024 60	89,626 21	154,300 00
Terre Haute, . . .	167,731 99	95,386 92	206,000 00
Lafayette, ...	313,693 71	50,550 00	246,250 00
Fort Wayne, . . .	271,393 87	47,576 95	160,000 00
South Bend, . . .	172,005 64	34,568 00	96,578 13
Michigan City, . .	127,754 05	64,354 69	120,000 00
Total, ...	2,966,310 12	930,161 04	2,670,603 13

Amount of State debt, \$646,763 24, (besides interest.)

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
1840. <i>July 15.</i>			
Indianapolis, . . .	239,195 71	128,663 28	295,300 00
Lawrenceburgh, . .	334,414 45	48,786 89	282,000 00
Richmond, . . .	220,306 89	23,515 82	218,575 00
Madison, . . .	294,435 19	132,012 20	318,150 00
New Albany, . . .	208,944 45	59,763 29	199,100 00
Evansville, . . .	181,092 26	26,752 59	190,600 00
Vincennes, . . .	241,823 86	18,852 01	163,750 00
Bedford, . . .	168,750 94	76,352 41	174,300 00
Terre Haute, . . .	193,090 86	69,693 81	206,000 00
Lafayette, . . .	319,269 25	44,538 14	246,250 00
Fort Wayne, . . .	275,550 27	38,594 95	160,000 00
South Bend, . . .	172,688 40	41,605 00	96,578 13
Michigan City, . .	143,993 45	49,140 37	120,000 00
Total, . . .	\$2,993,555 98	759,270 76	2,670,603 13

Amount of State debt \$648,135 81, beside interest.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Aug. 15.</i>			
Indianapolis, . . .	229,928 56	127,825 03	295,300 00
Lawrenceburgh, . .	329,847 52	45,734 45	282,000 00
Richmond, . . .	225,432 42	20,507 06	218,575 00
Madison, . . .	301,844 74	91,970 76	318,150 00
New Albany, . . .	205,257 21	52,661 69	199,100 00
Evansville, . . .	187,881 33	23,589 09	190,600 00
Vincennes, . . .	228,971 20	25,158 06	163,750 00
Bedford, . . .	176,733 07	72,302 91	174,300 00
Terre Haute, . . .	180,414 96	94,818 21	206,000 00
Lafayette, . . .	327,466 39	29,088 14	246,250 00
Fort Wayne, . . .	278,047 80	27,051 45	160,000 00
South Bend, . . .	175,616 05	40,917 30	96,578 13
Michigan City, . .	162,972 52	42,261 87	120,000 00
Total, . . .	\$3,010,413 77	693,886 02	2,670,603 13

Amount of State debt \$637,099 01, beside interest.

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Sept. 15, 1840.</i>			
Indianapolis, ...	222,504 48	125,310 23	295,300 00
Lawrenceburgh, ...	328,663 95	60,990 40	282,000 00
Richmond, ...	226,412 66	29,477 27	218,575 00
Madison, ...	313,784 33	115,647 34	318,150 00
New Albany, ...	203,779 56	51,227 68	199,100 00
Evansville, ...	174,326 62	22,411 27	190,600 00
Vincennes, ...	235,224 79	32,142 73	163,750 00
Bedford, ...	184,245 46	66,675 78	174,300 00
Terre Haute, ...	190,371 29	25,518 78	206,000 00
Lafayette, ...	320,169 46	30,719 65	246,350 00
Fort Wayne, ...	275,090 64	15,504 62	160,000 00
South Bend, ...	172,120 13	32,517 30	96,578 13
Michigan City, ...	159,611 03	43,965 10	120,000 00
Total, ...	\$3,006,304 40	652,108 15	2,670,703 13

Amount of State debt, \$628,869 17, beside interest.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Oct. 15, 1840.</i>			
Indianapolis, ...	220,270 81	127,186 07	295,300 00
Lawrenceburgh, ...	323,688 50	66,901 16	282,000 00
Richmond, ...	215,956 17	45,085 63	218,575 00
Madison, ...	296,975 19	96,441 88	318,150 00
New Albany, ...	191,190 08	58,578 44	199,100 00
Evansville, ...	173,609 35	32,900 38	190,600 00
Vincennes, ...	235,189 93	23,681 64	163,750 00
Bedford, ...	184,234 16	72,396 92	174,300 00
Terre Haute, ...	199,705 02	33,421 76	206,000 00
Lafayette, ...	309,588 07	28,231 51	246,350 00
Fort Wayne, ...	274,258 60	11,003 85	160,000 00
South Bend, ...	177,922 70	37,702 30	96,578 13
Michigan City, ...	149,158 57	60,593 89	120,000 00
Total, ...	2,951,747 14	694,125 43	2,670,703 13

Amount of State debt, \$626,947 46, beside interest.

ABSTRACT—Continued.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>Nov. 21, 1840.</i>			
Indianapolis, ...	208,139 01	153,965 26	295,300 00
Lawrenceburgh, ...	298,906 18	101,066 69	282,000 00
Richmond, ...	207,245 45	61,062 82	219,150 00
Madison, ...	285,422 32	137,792 38	318,150 00
New Albany, ...	189,780 38	62,916 16	199,100 00
Evansville, ...	164,541 56	36,628 13	190,600 00
Vincennes, ...	225,185 40	23,990 02	163,750 00
Bedford, ...	176,128 20	94,815 18	174,300 00
Terre-Haute, ...	190,252 87	32,405 85	206,000 00
Lafayette, ...	302,897 14	33,031 51	246,550 00
Fort Wayne, ...	273,234 59	12,237 05	160,000 00
South Bend, ...	174,714 60	37,102 30	96,718 75
Michigan City, ...	157,591 68	55,032 04	120,000 00
Total, ...	2,847,549 48	842,546 19	2,671,618 75

Amount of State debt, \$634,606 92, beside interest.

BRANCH.	BILLS DISCOUNTED.	BILLS EXCHANGE.	CAPITAL STOCK.
<i>December 15, 1840.</i>			
Indianapolis, ...	203,659 25	179,895 85	295,300 00
Lawrenceburgh, ...	306,541 79	86,380 80	282,000 00
Richmond, ...	190,880 72	128,262 82	219,150 00
Madison, ...	273,633 11	191,331 33	318,150 00
New Albany, ...	182,477 94	65,116 32	199,100 00
Evansville, ...	153,528 72	56,294 07	190,600 00
Vincennes, ...	231,541 49	31,369 68	165,500 00
Bedford, ...	184,924 34	100,739 53	174,300 00
Terre-Haute, ...	233,637 04	71,596 85	206,000 00
Lafayette, ...	300,364 35	32,131 51	246,550 00
Fort Wayne, ...	268,720 92	18,572 85	160,000 00
Michigan City, ...	141,731 49	81,552 54	120,000 00
South Bend, ...	168,278 05	32,467 97	97,078 12
Total, ...	2,840,419 21	1,075,712 12	2,673,728 12

Amount of State debt, \$634,606 92, (beside interest.)

OFFICE OF STATE BANK, *Jan. 5, 1840.* JAMES M. RAY, *Cashier.*

REPORT

OF THE

BOARD OF INTERNAL IMPROVEMENT.

JANUARY 8, 1841.

Read, laid on the table, and 200 copies ordered to be printed.

INDIANAPOLIS, Jan. 8, 1841.

HON. SAMUEL HALL,
President of the Senate:

Sir: I herewith enclose a report to the Senate in answer to a resolution of that body.

Respectfully,
N. NOBLE.

OFFICE OF BOARD OF INT. IMPROVEMENT, }
Indianapolis, Jan. 8, 1841. }

Hon. SAMUEL HALL,
President of the Senate:

In answer to a resolution of the Senate of the 5th inst. requesting the Board of Internal Improvement to "inform the Senate, by statement in tabular form, what amount of money has been expended on each of the several works named in the act to provide for a general system of Internal Improvements; the amount requisite to complete each work: Also, to inform the Senate which of the works, when completed, will probably produce the largest amount of interest in proportion to the whole cost, and also in proportion to the amount yet requisite to complete;" the annexed Tabular Statement, marked A, is submitted. This statement has been carefully prepared in the office of the Chief Engineer, and it is believed contains all the information called for by the resolution under this head. It, however, gives the condition and progress of each work only in the aggregate.

With the view of meeting the object of the resolution more fully, by showing the particular divisions of each line, on which the work has been performed, separate tabular statements have been prepared for each line, and are herewith submitted, marked from B to K, inclusive. These several tabular statements were prepared originally by the Engineer for the House of Representatives, in answer to several calls from that body, during the present session. The divisions in which the several lines are given, and the notes accompanying each statement, conform to the shape of the inquiries from the House.

In all these tabular statements, the columns of work done, and work required to complete, do not include superintendence nor damages.

In the latter clause of the resolution, the Board are requested to inform the Senate which of the works when completed will probably produce the largest income in proportion to its cost.

From the nature of the case, it would be impossible for the Board to furnish the Senate with any information on this subject which would be very definite or conclusive in its character. The income from any work must be the result mainly of the trade and commercial intercourse for which it would be the channel, and the amount of these would depend upon the extent, productiveness, and the peculiar business pursuits of the country tributary to the work. An opinion expressed upon this subject, to be worthy of any regard by the Senate, should be based upon an accurate and detailed statistical statement in relation to each section of the State, showing its productiveness, its exports and imports, and its general trade and business. Such information, in the specific and accurate form required, the Board would not be able to collect in time for the present inquiry. While they are ever ready to furnish the Senate, with the greatest

promptitude and cheerfulness, any facts or information that may be sought—and while they would willingly express their opinions and views, if desired, whenever these views can be based upon safe and sufficient data, yet it will not be deemed singular that they should hesitate to express an opinion on a subject of this kind, when they are not in possession of the data upon which to form a safe and conclusive judgment. Nor do the Board understand the resolution of the Senate as requesting a mere speculative opinion as to the relative productiveness of the works, unless it could be based upon well ascertained facts.

The Board have also received a copy of the resolution of the Senate of the 5th inst. requesting information as to “the amouut that would be required to finish the grading and bridging of that part of the Jeffersonville and Crawfordsville Road north of Greencastle; also that part of the Indianapolis and Lafayette Road north of Crawfordsville.”

The answer to this inquiry will be found in the statements hereto appended, marked J and K.

In behalf of the Board,

Respectfully,

N. NOBLE.

A

A Table showing the length of each Public Work, with the amount of Work done, the amount to do, and the present estimated total cost.

NAME OF WORK.	LENGTH IN MILES, INCLUD- ING NAV- IGABLE FEEDERS.	ESTIMATE OF WORK DONE UP TO NOVEMBER 1, 1840.	ESTIMATE FOR COMPLETING EACH WORK, EXCLUSIVE OF SUPERINTENDENCE.	PROBABLE TO- TAL COST OF SUPERINTEN- DENCE & CON- TINGENT EXP.	ESTIMATED TOTAL COST WHEN COM- PLETED, INCLUD- ING SUPERINTEN- DENCE.
Wabash canal from Tippecanoe to La- fayette, ...	14½	\$ 307,930 00	\$ 15,000 00	\$ 10,000 00	\$ 332,930 00
Wabash canal from Lafayette to Terre Haute, ...	90	36,000 00	1,244,000 00	75,000 00	1,355,000 00
Cross-cut canal from Terre Haute to Cen- tral canal, ...	49	357,480 00	331,192 00	30,000 00	718,672 00
White Water canal from Lawrenceburgh to mouth of Nettle creek, ...	76½	1,002,735 00	623,003 00	50,000 00	1,675,738 00
Connection between White Water and Central canals, ...	40	,000,000 00	320,000 00	15,000 00	335,000 00
Central canal from Wabash and Erie- canal to Indianapolis, includig Mun- cietown feeder, ...	124½	500,482 00	1,699,371 00	100,000 00	2,299,853 00

Central canal from Indianapolis to Evansville, ...	194	774,277 00	2,545,067 00	150,000 00	3,469,344 00
Erie and Michigan canal, ...	182 $\frac{3}{4}$	125,000 00	2,389,823 00	110,000 00	2,624,823 00
Madison and Indianapolis Rail-road, ...	85 $\frac{3}{4}$	1,240,000 00	882,881 00	85,000 00	2,207,881 00
Indianapolis and Lafayette Road, ...	73	61,020 00	502,717 00	30,000 00	593,737 00
New Albany and Vincennes McAdamized Road, ...	105	585,430 00	476,865 00	65,000 00	1,127,295 00
Jeffersonville and New Albany Rail-road, grading and track, ...	4 $\frac{1}{2}$	124,266 00	42,534 00	8,000 00	174,800 00
Jeffersonville and Crawfordsville Road—New Albany to Crawfordsville, grading and bridging, ...	160	195,687 00	556,313 00	50,000 00	802,000 00
Jeffersonville and Crawfordsville Road—New Albany to Crawfordsville, stone covering, ...		,000,000 00	640,000 00	35,000 00	675,000 00
Joint improvement of Wabash Rapids, half of the whole cost entered, if built of timber, ...		6,028 00	61,472 00	10,000 00	77,500 00
Total, on the works embraced in the Internal Improvement act of 1836, ...	1.199 $\frac{1}{2}$	5,316,335 00	12,330,238 00	823,000 00	18,469,573 00
Wabash and Erie canal, State line to Tippecanoe, authorized previous to 1836. Steam Boat lock and canal, mill races, &c., at Delphi dam;—as directed by special acts, ...	129 $\frac{3}{4}$	1,843,114 00	42,375 00	110,000 00	1,995,489 00
		20,000 00	38,145 00	3,000 00	61,145 00
Total, embracing all the works authorized by existing laws, ...	1.329 $\frac{1}{4}$	\$7,179,449 00	\$12,410,758 00	\$936,000 00	\$20,526,207 00

B

WABASH CANAL.

	Distance in miles.	Total cost when finished.	Work done.	Work required to finish.	Remarks.
From Tippecanoe to La- fayette, ...	14½	322,930 00	307,930 00	15,000 00	Navigable.
From Lafayette to Terre Haute, ...	90	1,280,000 00	36,000 00	1,244,000 00	The work done is near Covington.
Total,	104½	\$1,602,930 00	\$343,930 00	\$1,259,000 00	

C CENTRAL CANAL NORTH OF INDIANAPOLIS.

	Dist. in miles.	Total cost when fin- ished.		Work done.		Work re- quired to complete.		
		Dolls.	Cts.	Dolls.	Cts.	Dolls.	Cts.	
From Indianapolis to Broad Ripple,	9.03	227,548	27	227,548	27	185,780	00	Including basin for water power. Not located.
From Broad Ripple to Stoney Creek,	13.27	185,780	00			134,261	33	
From Stoney Creek to dam at Wise's,	15.39	175,220	00	40,958	67	69,626	33	Four sections not let.
From Wise's to dam at Andersonstown,	7.93	111,352	00	41,725	67			Dam not let.
From dam, north to section 80,	1.43	96,782	00			96,782	00	Crosses White River—not let.
From sec. 80 to Kill-Buck Summit,	8.75	146,355	00	86,223	24	60,131	76	Near Alexandria.
Total main line, ...	55.80	943,037	27	396,455	85	546,581	42	
FEEDER FOR SUMMIT.								
From Dam to mouth, ...	7.83	123,124	00	104,026	77	19,097	23	Ends opposite Andersonstown.
Total main line and Feeder, from In- dianapolis to near Alexandria, . . }	63.63	1,066,161	27	500,482	62	565,678	65	

On the line between Noblesville and Kill-Buck Summit, there has been paid about \$8,000, for timber and other perishable materials.

On the completion of the White River feeder to Andersonstown, there would be a surplus of water, after supplying the canal, for 8 or 9 months* in the year, which would be sufficient, on the fall of 30 feet, to propel about 20 run of stones for this length of time in each year.

D

CENTRAL CANAL SOUTH OF INDIANAPOLIS.

	Dist. in miles.	Total cost when finished.	Work done.	Work re- quired to complete.	
		Dollars Cts.	Dollars Cts.	Dolls. Cts.	
From Indianapolis to Port Royal, . . .	15.69	239,433 31	221,433 31	18,000 00	9 locks to finish.
From Port Royal to Sand-hill, . . .	10.65	119,818 91	35,751 64	84,067 27	2 sections not let
From Sand-hill to Martinsville, . . .	4.00	40,000 00	00,000 00	40,000 00	Not let.
From Martinsville to White Ri- ver feeder, in Greene county, . . .	71.00	1,060,000 00		1,060,000 00	Not let.
From White River feeder to } Pigeon feeder, . . .	73.00	1,602,000 00	279,000 00	1,323,000 00	{ Only the heavy jobs under contract.
From Pigeon feeder to Evansville, . . .	20.00	238,092 00	238,092 00		Finished.
Total from Indianapolis to the }					
Ohio River, . . .	194.34	3,299,344 22	774,276 95	2,525,067 27	

E **WHITE-WATER CANAL.**

NAME OF DIVISION.	Length in miles.	Total cost when finished.	Work done.	Work required to finish.	Value of perishable materials on hand.	Value of Lock material built on dry foundations.	
From Lawrenceburgh to Brookville, - - -	30.81	\$ 664,665 63	\$ 664,665 63	\$	\$	\$	Finished and navigable.
From Brookville to Laurel Feeder Dam, - -	14.31	315,818 54	202,691 99	113,126 55	18,640 37	32,334 00	{ Several miles finished in detached portions.
From Laurel dam to Connorsville dam, - - -	10.13	262,471 75	50,718 75	211,753 00	3,558 15	4,464 50	
From Connorsville dam to Green's Fork feeder, - - -	8.31	183,330 65	43,107 65	140,223 00	11,949 32	1,933 75	Part not let.
From Green's Fork to National Road, - -	5.84	141,184 24	41,050 54	100,133 70	9,456 14	2,569 20	do do do
Total, - - -	69.40	1,567,470 81	1,002,234 56	565,236 25	43,603 98	41,299 45	

A portion of the estimate for perishable materials is for the dressing of stone, which, though it might not be wholly lost, would be materially injured and defaced if left any time on the yard. If the canal be not completed within a few years, the dry timber foundations on which the lock walls rest, will begin to rot, and thus cause a necessity for taking down and rebuilding the lock masonry, as above stated. The lock foundations having been formed with a view to their being immediately submerged, are composed generally of the most perishable timber, such as beech, sugar, &c.

F**CROSS CUT CANAL.**

	Distance in miles	Total cost when finished.	Work done.	Work required to finish.
From Terre Haute to Eel R. F. Dam.	25½	\$434,779 00	357,480 00	77,299 00

G**ERIE AND MICHIGAN CANAL.**

	Distance in miles	Total cost when finished.	Work done.	Work required to finish.
From F't Wayne to Middle Fork reservoir in Noble co.,	50	\$850,000 00	125,000 00	725,000 00

H.

MADISON AND INDIANAPOLIS RAIL ROAD.

GRADING AND BRIDGING.

	Dist. in miles	Total cost when finis'd		Work done.		Am't paid.		Work req'd to finish.		Am't to be p'd to finish.		
		Dolls.	Cts.	Dolls.	Cts.	Dolls.	Cts.	Dolls.	Cts.	Dolls.	Cts.	
From Vernon to E- dinburgh,	32.91	336,051	01	176,931	04	148,598	04	159,119	97	187,452	97	Under cont'ct—grading &c.
From Edinburgh to Franklin,	10.15	72,434	00					72,434	00	72,434	00	Not under contract.
From Franklin to Indianapolis,	20.00	80,000	00					80,000	00	80,000	00	Not located—grading, &c.
Total,	63.06	488,485	01	176,931	04	148,598	04	311,553	97	339,886	97	Grading and Bridging.

SUPERSTRUCTURE.

From Vernon six miles north,	6.00	20,105	28	Iron delivered—not under contract.	
From last point to Edinburgh,	26.91	228,244	45	Not under contract.	
From Edinburgh to Indianapolis,	30.15	266,929	40	do do do	
Total,	63.06	515,279	13		

RECAPITULATION—MADISON ROAD.

Grading and bridging under contract,	\$336,051 01
do do not under contract,	152,434 00
Superstructure not under contract,	515,279 13

Total cost, ... \$1,003,764 14

Work done, ... 176,931 04

Total work to be done, ... 826,833 10

{ To complete
the road from
the top of Ma-
dison hill to In-
dianapolis.

Add for depots, machine shops, water
stations, &c. 30,000 00

\$856,833 10

Between Vernon and Columbus, there are 40 sections, of which 13 are finished. By the first of August next, if funds are provided, probably 16 additional sections will be done.

In the course of the next year, the whole of the grading between Columbus and Edinburgh could probably be finished.

NEW-ALBANY AND VINCENNES TURNPIKE ROAD.

GRADING AND BRIDGING.

	Distance in miles.	Total cost when finished	Work done.	Work requi- red to finish.	
From New Albany to Paoli, - - -	41.25	307,057 00	307,057 00	- - - -	Completed.
From Paoli to Mount Pleasant, - -	27.12	145,261 00	68,396 00	76,865 00	Under contract.
From Mount Pleasant to Vincennes	36.63	128,205 00	- - - -	128,205 00	Not under contract.
Total, - - - - -	105.00	580,523 00	375,453 00	205,070 00	2 White river bridges not included.

METALLING.

	Distance in miles.	Cost when finished.	Work done.	Work requi- red to finish.	
From New Albany to Paoli, - - -	41.25	209,977 00	209,977 00	- - - -	Completed.
From Paoli to Mount Pleasant, - -	27.12	135,600 00	- - - -	135,600 00	Not under contract.

From the above statement it will be seen that to complete the grading and bridging to Vincennes (not including the two White river bridges) and the metalling only to Paoli, will require the further expenditure of \$205,070. To complete the grading and bridging to Vincennes, and the metalling to Mt. Pleasant, will require an expenditure of \$340,670.

It will be seen that the road is considered as finished to Paoli. It may be that there is a small amount of work yet to be done on this division; but it can only be to the value of a few hundred dollars, and is therefore not material. Having had no charge of this road for the last year, I am not particularly advised.—If funds were provided, this road could be finished in about eighteen months.

JEFFERSONVILLE AND CRAWFORDSVILLE ROAD—NORTHERN DIVISION.

	Dist'ce in miles.	Tot. cost when finished.	Work done.	Work req'd to finish.
From Greencastle to Raccoon creek, . .	14.70	87,164 74	62,854 58	24,310 06
" Raccoon creek to Crawfordsville, .	14.00	42,000 00		42,000 00
Total, ...	28.70	\$129,164 74	62,854 58	66,310 06

JEFFERSONVILLE AND CRAWFORDSVILLE ROAD—SOUTHERN DIVISION.

	Dist'ce in miles.	Tot. cost when finished.	Work done.	Work req'd to finish.
From Jeffersonville to New Albany, . .	4.79	143,050 00	124,266 00	18,784 00
" New Albany to Salem, ...	32.85	178,377 00	132,833 00	45,544 00
Total, ...	37.64	\$321,427 00	257,099 00	64,328 00

Graded for R. Road.

The work on both the above divisions has been left in a condition to sustain much loss, if not soon finished, in the decay and loss of materials furnished. This remark is especially true in regard to the bridges over the large streams.

K**INDIANAPOLIS AND LAFAYETTE TURNPIKE ROAD.****GRADING AND BRIDGING.**

	Dist. in miles.	Total cost when fin- ished.	Work done.	Work req'd to finish.
From Crawfordsville to La- fayette,	26.70	87,736 70	61,019 94	26,716 76

The work on this division in its present unfinished condition is exposed to constant dilapidation. The expenditure of a small additional sum would be the means of preserving from loss much that has already been invested.

MR. CARNAN'S REPORT

FROM THE

STANDING COMMITTEE

ON

FEDERAL RELATIONS,

RELATIVE TO

PUBLIC LANDS, &c.

JANUARY 12, 1841.

Read, laid on the table, and 500 copies ordered to be printed.

The standing committee on Federal relations, to which was referred so much of the Governor's Message as relates to a distribution of the proceeds of the sales of Public Lands and the Tariff, &c., have had the same under consideration, and have directed me to make the following

R E P O R T :

Your committee have directed their attention to the various subjects referred to them, and feel that the welfare and prosperity of our country for the next ten years, depend in a great measure upon the direction which public opinion may take upon these important questions. The importance of contending for and urging the principle

of distributing the proceeds of the sales of the public lands, has been presented to your body by the Governor in his annual message, with a force of argument, which, in their opinion, cannot be resisted, and whose views upon that subject they cheerfully adopt. They have never seen, until of late, any argument against this measure, but the insulting and demagogical one, that it would corrupt the States. Your committee cannot see the force of this argument, more especially as those who use it, are contending for a cession of the Public Lands to the States in which they lie. They believe the States are as fit depositories of this money as the General Government, as honest, and no more accessible to corrupt influences.

They are aware that the officers of the General Government have of late been in the habit of making loud professions of honesty; but it is extremely doubtful whether their practices exactly accord with their professions—whether they are not mere “sounding brass and tinkling cymbals.” They cannot distinguish between a donation of land and money, so far as the morals of the people are concerned, and must doubt the sincerity of those, who oppose the one, and favor the other, on this ground.

That it would be an assumption, on the part of the General Government, of the debts of the States, is another objection which has of late been started against this measure, whose parentage, from its character, may be traced to the author of the gold humbug, and that other humbug, the graduation of the price of public lands, which has been most injurious to western interests by tantalizing us with prospects of advantages that can never be realized. The futility of this objection must be evident to every one who will bear in mind that there would not be the least semblance of truth in it, were the States not in debt. Should, then, the fact of the States being in debt deprive them of a claim whose justice could not be disputed were it not for this indebtedness? The proposition is too absurd. How would this rule apply to individual transactions? If A be indebted to B, could he with any propriety plead in defence of B's claim that B was indebted to C? Would not this indebtedness of B's, so far from prejudicing his claim, be a strong reason why A should pay him as soon as possible? We think so.

Had the distributive principle been in force for the last five years, according to the provisions of Mr. Clay's Land Bill, the State of Indiana would annually have received from that source something like \$250,000. The data before your committee are not such as to enable them to ascertain the exact amount, but they feel warranted in setting it down at not less than that sum. And had the fourth instalment of the surplus revenue been paid up according to law, the State would have received in 1837 the further sum of \$240,000. If these different sums had been invested in stock of the State Bank of Indiana, as they came to hand, the State would have received in interest upon them, up to this time, \$495,000.

Thus it seems that the State, in consequence of the failure of the passage of that bill, and the withholding of the fourth instalment of

the Surplus Revenue, has lost in the last five years, in principal \$1,490,000, and in interest \$495,000—making, in all, \$1,985,000. Your committee would suggest that the last five years do not furnish a fair criterion of the benefits of the distributive principle. The pressure of the times, and the refusal on the part of the General Government to receive any thing but specie, have curtailed the sales of public lands so much, that they do not range within one-fourth of what they did for the five years previous to 1836.*

Another important subject has been brought before your committee, viz: the raising of duties on imported articles. It appears from the Report of the Secretary of the Treasury of the United States, that the expenditures of the General Government for the year 1840, amount to \$28,234,512 01, and its receipts, from its permanent and legitimate sources, to \$17,197,763 01; thus shewing a deficit between the expenditures and regular receipts, of \$11,036,749 00. The same document, also, informs us, that during the year 1842, there will be a falling off, in the receipts from customs, of \$5,000,000, in consequence of the progressive reduction of the present tariff. This deficit does not appear to be accidental, but it is rendered certain, that the expenditures of the General Government have, for the last four years, exceeded their accruing receipts, about \$8,000,000 per year; and had it not been that the Treasury was supplied from extraordinary sources, we should, at this time, have a national debt of \$32,000,000, incurred in the short period of four years.

Such a disparity between the receipts and expenditures must evidently result in an overwhelming national debt, unless speedily corrected. So thinks Mr. Secretary Woodbury, and he tells us that there are but two ways of remedying the evil. Direct taxation, or an extensive modification of the present tariff. Suppose we should resort to direct taxation—how would matters stand? According to the Secretary's shewing, the deficit in 1842 must be from ten to twelve millions of dollars; and should the proceeds of the sales of public lands be diverted from the National Treasury to the State Treasuries, to which of right they belong, this deficit will be swelled to \$15,000,000. Set down the deficit at \$10,000,000. Indiana then would have to contribute annually about \$400,000 towards the support of the General Government. We have now to raise \$600,000 per year to pay the interest on our foreign debt, and if we have to raise this additional sum of \$400,000 per year, our taxes, instead of being 50 cents on

*It appears from the official reports from the Land Office, that in the first five years after Mr. Clay's bill passed, and was pocketed, the distributive share of Indiana would have been \$2,600,000 in *money*. It also provided for her 115,000 acres of land, which, at the price other selections were sold for, would have produced near \$500,000 more. These sums added to what she would have received for the last four years, make the gross sum of \$4,100,000, which would have been distributed to Indiana under this bill.

the hundred dollars, will have to be about 100 cents on the hundred dollars. Such a tax, it is evident, would be too oppressive for the people to bear; nevertheless, many of the friends of the present Administration have been urging it upon the country as the proper policy. Your committee believe with Mr. Woodbury, that the issue before the country is, shall we tax an already oppressed people to support the General Government, or shall we raise a revenue from duties? What are the objections to an increase of duties on certain articles? Why, should we raise the duty on wines and silks, for instance, some politicians tell us, that it will enhance the value of these articles so much, that the poor man will not be able to use them, and, that it will be favoring British interest at the expense of French. Such arguments certainly evince more of the demagogue than the statesman. What difference is it to the farmers and mechanics of this State, whether silk is \$1 00 or \$1 25 per yard; wine \$1 50 or \$2 00 per gallon. With us they are mere luxuries, used to so limited an extent, that the difference in price would not be felt. Now with the rich nabobs of the East, they are not luxuries, but necessities—articles of every day's consumption, and *they* would feel it. Independent of these considerations, when the question comes to us, as it does now, shall we have our farms, stock, and all of our property taxed for the support of the General Government, or shall we have a duty on wines and silks?—No one in this State can hesitate which to choose.

As to the other objection, that it will favor British interest to the injury of French, your committee are of opinion, that it is a consideration foreign to the question, and entitled to no weight. Has it come to this, that the citizens of this country cannot enact their own laws without consulting the interests of their Britanic and French majesties? Do they show so tender a regard to our interests in their commercial regulations? France, on the single article of American tobacco, raises a revenue of at least \$10,000,000 per year. With her it is a government monopoly, and, as must be the case with such monopolies, it operates to the oppression, of as well the grower, as the consumer. A large portion of these \$10,000,000 is wrung from the industry of our planters. In England we do not even fare as well. There the duty on tobacco is about \$75 on the one hundred pounds, and, on a hogshead, which would be sold by the planter to the shipping merchant for \$100, the British government will collect a revenue of over \$1,000. They know tobacco is a luxury, and, like all luxuries, has its maximum price beyond which it cannot be sold. Hence the policy of these governments is, by the interposition of a monopoly in the one country, and of the most extravagant imposts in the other, to keep up the article to its maximum price at home, and thus to force our planters to sell at the most reduced prices.

Still, some politicians would have us abstain from promoting our own interest, for fear of prejudicing the interest of France or England.

This self-sacrificing spirit, your committee believe, is incompatible with the character of our people, who are ever ready to assert their rights, and to maintain them. We believe that we are under no obligation to foster the interest of England and France at the expense of our own. Our policy is to take care of ourselves, and let England and France take care of themselves.

Such being the views of your committee, they have directed me to present the following joint resolution, and recommend its passage, and also joint resolution of the Senate, No. 16, without amendment.

On the question of concurrence in the above report, Mr. Test offered the following resolution:

Resolved, That the Senate concur in the sentiments contained in the report of the committee on Federal Relations, just reported and ordered to be printed:

Which was decided in the affirmative by the following vote,

AYES. Messrs. Aker, Angle, Arion, Armstrong, Baird of St. Jos., Beard of Mont., Bell, Blair, Carnan, Clark, Collins, Cravens, Eggles-ton, Elliott, Everts, Ewing, Herriott, Hoover, McCord, Moffatt, Morgan, Mount, Nave, Parker, Riley, Stafford, Stevenson, Test, Thompson, Watts, Williams, and Wright—32.

NOES. Messrs. Berry, Carr, Chamberlain, Dobson, Hackett, Harris, Kinzer, Lowe, Nickel, Roberts, and Tannehill—11.

REPORT
OF THE
SELECT COMMITTEE

APPOINTED AT
THE LAST SESSION OF THE LEGISLATURE
TO INVESTIGATE THE
AFFAIRS OF INDIANA UNIVERSITY.

JANUARY 22, 1841.

Read, laid on the table, and 500 copies ordered to be printed.

HON. SAMUEL HALL,
President of the Senate:

The legislative committee appointed by a resolution of the General Assembly, adopted 21st day of February, A. D. 1840, to inquire into the condition of the State University and the causes of its decline, as also to inquire into the proper means to be adopted to secure its prosperity, and also to inquire into the expediency of establishing an agricultural professorship, report as follows, to-wit:

That a majority of said committee met for the purpose of discharging the duties imposed on them by said resolution, at the University Chapel in Bloomington on the 19th day of May, 1840, and commenced the investigations necessary to meet the requisitions of said resolution. The efforts of the committee were materially assisted by the action of the board of trustees of said University, who appointed a committee consisting of five gentlemen of their body to meet the legislative committee and furnish them with such information in their possession as might be found useful in the course of the investigation then proposed. This committee consisted of Messrs. Hendricks, Owen, West, Hester, and Maxwell; and the committee deem it an act of justice to these gentlemen to state that they co-operated efficiently by promptly answering the calls made on them for information by the legislative committee during the whole of its session. At the request of the committee of investigation they were furnished by the committee on behalf of the board of trustees with a condensed historical account of the institution, as also a tabular statement of the funds of the institution. These documents herewith submitted, and marked Nos. 1 and 2, are sufficiently explicit on the subjects of which they treat, and in the opinion of the committee need but little comment. By these documents, it appears that the total of the funds of the college arising from donated lands, amounts to \$117,521 84. In addition to other information in relation to the available funds of the University and the amount of unsold lands belonging to it, these documents contain a valuable and interesting abstract of the early enactments of the territory in relation to this institution. Your committee accord fully with the deductions drawn by the committee appointed on behalf of the trustees of the University from those enactments, and cannot express too strongly their approbation of the liberal and enlarged views of the *then* Governor and Legislature (1807) in relation to education. Many of the provisions of those enactments are worthy of imitation at the present day.

The investigating committee next directed their attention to the causes of the decline of the University in public favor. The conduct of the President of the University has been on more than one occasion the subject of severe criticism in the public prints and elsewhere, and the committee soon after their meeting instituted an inquiry into the justice of these complaints. This inquiry was conducted openly and in such a manner as to afford every legitimate means of accusation and defence. The committee were induced to take a wider range in their investigations into the matter, than they would otherwise have deemed necessary or proper from the fact that a previous investigation into the conduct of Doctor Wylie had been had, and complaints had been made by persons inimical to him that sufficient latitude had not been allowed the accusers in making and sustaining their charges against him. After the most patient investigation of the evidence adduced, the committee *unanimously* concur in the acquittal of Doctor Wylie of all the charges preferred against him, and see no reason whatever to suppose that any conduct of his has been prejudicial to

the institution. On the contrary, they believe him to be eminently qualified for the station which he occupies, and find from the investigation that he has discharged the high trusts committed to him with an ability and fidelity worthy of all commendation, although surrounded with almost insurmountable difficulties and embarrassments. The committee, in the course of their investigations, called upon the petitioners, who preferred those complaints to the Legislature, which caused the passage of the resolution under which the committee of investigation acted, and none of them (except one) made any statements calculated to throw the slightest suspicion of blame on the accused. On the contrary, some of those petitioners who had entertained suspicions injurious to Doctor Wylie became in the progress of the investigation so well satisfied of the injustice of those suspicions, as to be induced voluntarily to furnish your committee with written statements expressive of their approbation of his conduct.

The only one of the petitioners who gave it as his opinion that Dr. Wylie had been to blame in the management of the institution, did not support that opinion by any testimony.

Your committee entered into a minute inquiry as to the causes of the decline of the University in the number of its students. Your committee refer to document No. 3, as containing the opinions of the President of the institution in relation to its decline. On the same subject your committee also refer to document No. 4, being a memorial of the citizens of Bloomington and of the county of Monroe remonstrating against the removal of the University, stating their opinion of the causes of the decline of the institution and exempting the *present* faculty from the censure of producing it. In the opinion of your committee, the causes which have produced the decline of the University may be divided into two classes: 1st, Such as operate injuriously on most of the institutions of the country; and 2dly, such as are peculiar to the circumstances of this institution and its peculiar organization and management. Under the first head the most prominent of those causes is the indulgence which the parents of the students have been disposed to grant to them in supplies of more money than is sufficient for their reasonable wants during the sessions of the University. This practice always induces extravagance and excesses amongst the students; the odium of which is by the community thrown on the institution. To remedy this evil, the committee would suggest a legal provision requiring the pocket money furnished by the parents to the students to be paid at the opening of each session of the University into the hands of some officer, appointed by the faculty, to be by him paid out for such outlays as might appear in his discretion to be reasonable and proper, and in connection with this to make it penal for the shop-keepers and other dealers in goods or groceries to sell to the students on credit. Under the present head, may also be stated those jealousies and prejudices existing in every community against institutions of learning which, in the neighborhood of Universities, assume a personal character, and are directed against those who have charge of the institution.

the Indiana University and its professors have suffered in no small degree from the operations of this cause.

Under the second head the most prominent evil is in the number of the board of trustees, (twenty-one.) In order to avoid the influences of sectarianism it was thought best to have a large number of trustees. In the choosing these trustees, men of different religious prejudices were thrown together in such a manner as to combine all the elements of religious discord. This method of choice has resulted in petty bickerings and discontents, which have operated very injuriously on the institution and the reputation of the professors. To remedy this evil, the committee propose a reduction in the number of the board.

Your committee found on investigation that this institution had been injured to some extent by several rival colleges and theological seminaries, the management of which had been placed in the hands of some of the religious sects of the country.

While the committee approve of allowing the fullest latitude to the various religious sects of the community in educating their children in their own way, they believe it right for the public to sustain at least one college in which the sciences are taught and the morality of the bible inculcated without any reference to the peculiar tenets of any sect of christians. And they therefore recommend to the guardian care of the Legislature our present State University. After a full examination of the subject, your committee can see no good reason at present for the removal either of the University or the President. Your committee believe the reasoning in reference to the removal of the institution in document (No. 5) herewith submitted, to be conclusive, and are indisposed to weaken those arguments by attempting to expand them.

The present faculty have been selected with a view to their high moral character and scientific acquirements, and the committee have every reason to believe that the institution under their superintendence will be well and ably managed.

We deem it unnecessary at this time to form an agricultural professorship in the Indiana University. The public mind is already aroused on that subject and societies are springing up over the State which will doubtless accomplish the objects of such a professorship in an effectual manner.

Your committee herewith submit a bill embracing such provisions as they deem necessary for the benefit of the institution and recommend its adoption.

Respectfully submitted,

JAS. H. CRAVENS, Ch'n.
JOHNSON WATTS,
JOSEPH S. JENCKES.

HONORABLE JAMES H. CRAVENS,

CHAIRMAN OF LEGISLATIVE COMMITTEE.

SIR :

The committee appointed by the Board of Trustees of Indiana University, to meet and receive your committee, having recieved from your Secretary a resolution requesting that they would furnish to you a condensed history of the institution, from its origin, have had that subject under consideration, and now submit to you the result, in the following

R E P O R T .

The reservation of land by Congress, whence the present endowment of the Indiana University is derived, consists of two townships, one in Gibson county, the other in Monroe county, both in this State.

The reservation of the Gibson county township and its original appropriation for the support of a university, are contained in some act of Congress, not to be found among the documents prefixed to our Revised Code, nor in any other work of reference now within the reach of the committee of trustees. The exact date of that act of Congress, is unknown to the committee, but it is dated before the 17th September, 1807. For, among the laws of Indiana territory, published by authority, in 1807, occurs an act to incorporate an university in the Indiana territory, approved September 17, 1807, the second section of which commences as follows; "And whereas Congress has appropriated a township of land of twenty-three thousand and forty acres, for the use and support of the University, or a public school in the district of Vincennes, and whereas the township is now located and the boundaries designated," &c.

The preamble and provisions of the act above referred to, to "incorporate an university in the Indiana territory," afford striking proof how liberal and enlightened, even in these early days, nine years before Indiana became a State or obtained a constitution, were the views of her Legislators, on the subject of education, and are well worthy of preservation and remembrance.

The close of the preamble reads thus: "And forasmuch as literature and philosophy furnish the most useful and pleasing occupations, improving and varying the enjoyments of prosperity, affording relief under the pressure of misfortune, and hope and consolation in the hour of death; and considering that in a commonwealth where the

humblest citizen may be elected to the highest public offices, and where the heaven-born privilege of the right to elect and reject, is retained and secured to the citizens; the knowledge which is requisite for a magistrate and elector should be widely diffused. Therefore, be it enacted," &c.

The further provisions of the act are in accordance with this noble exordium. The 6th section provides, "That the trustees shall, as speedily as may be, establish and erect an university within the limits of the borough of Vincennes, and shall appoint to preside over and govern, the said university, a president, and not exceeding four professors, for the instruction of youth in the Latin, Greek, French, and English languages, mathematics, natural philosophy, ancient and modern history, moral philosophy, logic, rhetoric, and the law of nature and of nations."

The same principle which is still incorporated in our present charter, guarding against sectarianism, is set forth in the 10th section of the above act, in the following words: "Be it further enacted, that no particular tenets of religion shall be taught in the said university, by the president and professors mentioned in the 6th section of this act."

The next section provides, that the trustees shall "use their utmost endeavors to induce the aborigines to send their children to the said university, for education, who when sent, shall be maintained, clothed, and educated at the expense of the institution." And further, "That the students, whenever the funds of the institution shall, in the opinion of the trustees, permit it, be educated gratis, at the said university, in all or any of the branches of education which they may require."

Again, in the 13th section, is a provision of acknowledged importance, yet to judge by the charter of our university, beyond the immediate views of our Legislature, even at the present day. In that section, it is enacted, "That the said trustees, as soon as in their opinion, the funds of the institution will admit, are hereby required to establish an institution for the education of females, and to make such by-laws and ordinances for the said institution, and the government thereof, as they may think proper."

Finally, in further evidence of the extended views of those days, we find, in the 15th section, the enactment, "That for the purpose of procuring a library and the necessary philosophical and experimental apparatus, agreeably to the 8th section of this law, there shall be raised a sum not exceeding twenty thousand dollars." The means by which this sum was to be raised, were less praiseworthy than the object in raising it. It was to be "by a lottery."

As regards the amount of land which, by the above act, the trustees were authorized to sell, the second section provides, that the trustees may dispose of "any quantity not exceeding four thousand acres."

By subsequent acts of Congress, to which the committee of trustees cannot, at this moment, refer, the further sale of these lands to the

amount of thirteen sections, (including the above four thousand acres) was authorized; and they were sold and the proceeds expended for the use of the university.

So that, when by act of Congress, approved April 19, 1816, to enable the people of Indiana territory to form a constitution and State government, it was enacted, "That one entire township which shall be designated by the President of the United States, in addition to the one heretofore reserved for that purpose, shall be reserved for the use of a seminary of learning, and vested in the Legislature of the said State, to be appropriated solely to the use of such seminary by the said Legislature;" the total quantity of land thus appropriated, was two townships, less thirteen sections; or fifty-nine sections; or 37,760 acres.

This land, with the exception of about 4,800 acres, has all been sold, and the proceeds appropriated for the use and support of the present institution, at first under the name of the "State seminary," afterwards as the "Indiana college," and now as the "Indiana university." The above 4,800 acres still unsold, are estimated by the Treasurer of State as worth 2,500 dollars.

It appears by an act "to provide for the sale of the seminary township in Gibson county, and for other purposes, approved January 2, 1822," that, at some time previously, the board of trustees of the Vincennes university had ceased to exist. The preamble to the 7th section of the above act reads thus: "Whereas it is stated to this General Assembly, that the former board of trustees of the Vincennes university has expired by the negligence of its members," &c.

At what precise date this board expired the committee have not been able to discover; but it may be presumed to have been previously to the year 1820; for by an "act to establish a State seminary, and for other purposes, approved January 20, 1820," this institution was established at Bloomington, and the trustees of the said State seminary were empowered to sell any quantity of land in the reserved township in Monroe county, not exceeding in all one section.

The act above referred to is very brief, and provides for little else, except the sale of the above lands, and the erection, out of the proceeds thereof, of "a suitable building for a State seminary, and also a suitable and commodious house for a professor. Its tone and the limited character of its provisions form a striking contrast to the liberal views incorporated in the charter of the Vincennes university, granted thirteen years before, in the very infancy of Indiana territory.

Various supplementary acts were passed, from time to time, augmenting the number of the trustees of the said State seminary, permitting them to loan money, and authorizing the renting and sale of additional lands.

Of these, the most important is an act approved January 25, 1827, appointing James Smith commissioner to sell the Gibson county township, and James Borland commissioner, to sell the Monroe coun-

ty township, and fixing the minimum price of said land, if first-rate, at three dollars and fifty cents; if second-rate, at two dollars and twenty-five cents, and if third-rate, at one dollar and twenty-five cents per acre. The same act, by its 10th section, provides, that three sections of the seminary lands in Monroe county contiguous to the section heretofore sold shall be reserved from sale.

About the same time an act was passed, approved January 26, 1827, appointing a board of visitors to the State seminary at Bloomington.

By an act approved January 24, 1828, the State seminary was superseded by the "Indiana college," established "for the education of youth in the American, learned and foreign languages, the useful arts, sciences, and literature."

By that act, it was provided (section 12,) that "all moneys arising from the sale of the seminary townships, in the counties of Monroe and Gibson shall be, and forever remain, a permanent fund, for the support of said college, and the interest arising from the amount of said sales, together with the three reserved sections in the seminary townships, situated in the county of Monroe, and all the buildings which have been erected adjacent to the town of Bloomington, in said county of Monroe, for the use of the State seminary, with all the real and personal property of every description belonging to or connected with said State seminary, as the property of the State, and all gifts, grants, and donations, which have been or hereafter may be made, for the support of the college, shall be and hereby forever are vested in the aforesaid trustees and their successors."

By the same act, a board of visitors, consisting of five members, was appointed, and it was made their duty annually to visit the college, inspect the course pursued by the trustees and faculty, examine the books of the college, and make a report of their examinations, inspections, and inquiries to the Governor, to be by him laid before the General Assembly. Of these visitors, three were to constitute a quorum; but during the ten years' existence of the college, a quorum was present but once; and during the latter half of the period referred to, to-wit, during the last five years of the existence of the college, none of the board officially visited the college, or reported in connection therewith.

Finally, by an "act to establish a university in the State of Indiana," approved February 15, 1838, the institution reached its highest grade, and all the estate, funds, property, rights, and demands formerly vested in the trustees of the college were transferred to the trustees of the university, in whom they still remain vested.

This act incorporating the "Indiana university," is, in its general provisions a transcript of the charter of Indiana college, with this difference, that no board of visitors is appointed, and that the number of trustees of the university is increased to twenty-two, from the number of fifteen, appointed under the college charter. Also, by the charter of the university, the power of conferring degrees in law and medicine is added to the power formerly vested in the college, of granting degrees in the liberal arts and sciences.

The total funds of the university, originally derived from the reserved lands, as above explained, are estimated by the trustees, as follows :

Productive funds, including moneys at interest, moneys due or in hand, and a small amount of lands for sale, (say \$2,500 worth, not actually productive at this time)	98,471 84	
Deduct debts due by the university, chiefly to the Branch at Bedford, of the State Bank of Indiana, - - - - -	3,650	94,821 84
Unproductive property, chiefly real estate, including the university campus, and buildings thereon; including also the library and apparatus, - - - - -		23,000 00
Total, - - - - -		\$117,821 84

For the separate items which make up the above amount, and exhibit in detail the resources of the university, your committee is referred to document F spread on the records of the board of trustees at pages 66, 67, and 68, with its accompanying documents D, C, and B; of which accompanying documents, the former, marked D is recorded on the said records, at pages 72 and 73; and of the two latter, the first is recorded in the book entitled "Commissioners' Reports," and the last in the book entitled "Treasurers' Reports;" all of which books and reports have already been placed by the committee of trustees in the hands of your committee.

The committee of trustees further begs to refer your committee to document G, on pages 70 and 71 of the records of the university, as exhibiting in full the probable expenses and available means of the institution, for the ensuing year.

Any further information on these or other subjects, which is within the reach of the committee of trustees, they will cheerfully furnish. In the mean time the above is respectfully submitted.

D. H. MAXWELL, Ch'n.	} Com. of Trustees.
WILLIAM HENDRICKS,	
C. P. HESTER,	
ROBERT DALE OWEN,	
NATHANIEL WEST,	

Bloomington, May 20, 1840.

No. 3.

COMMUNICATION

OF THE

PRESIDENT OF INDIANA UNIVERSITY.

To the Investigating Committee:

GENTLEMEN—By virtue of certain resolutions, passed by you, the undersigned has been laid under the obligation of stating to you his opinion, as to what have been “the causes of the decline of the University in the number of the students,” and as to what legislative action he may think necessary “to secure and promote its prosperity;” and by another resolution it is made his duty to submit to you “a brief account of the paternal system” of government.

In compliance with the will of the committee, as expressed in those resolutions, the undersigned respectfully submits the following

STATEMENT:

First, as to the decline of the University in regard to the number of students:

In the sessions of 1837–8 there were students in actual attendance,	105
In the ensuing winter session of 1839 there were in actual attendance,	78
Showing a decrease of	27

This diminution was, I think, owing to the following causes:

1st. In the year preceding the diminution several students had indulged themselves in idle and extravagant habits, by which their parents were put to a great deal of unnecessary expense, and the institution itself brought, to a considerable extent, into disrepute.

About all places to which youth resort, *who have money to spend*, persons will be found who hesitate not to make use of dishonorable methods to possess themselves of it; sharks, that prey upon the in-

discretion of the generous, the confiding, the inexperienced. And, afterwards, when the natural consequence of their short-sighted selfishness takes place in the diminution of their victims, *these very persons* are first and loudest in their clamors and complaints, attributing, of course, the matter, which is the subject of their complaints to any other than the true cause.

2d; About the time when the cause just referred to was secretly preying upon the root of the Institution's prosperity, dissatisfaction, jealousy and discord began to take place in a certain portion of the Faculty, which, as it covertly sent forth its influence among the students, had a tendency to diminish, and did, to my certain knowledge, diminish their number.

3d. Simultaneously with the operation of these causes, there rose up other Institutions within that region to which the Indiana University naturally looks for a supply of students; one at Crawfordsville, one at Greencastle, one at Hanover, and one at Vincennes, three of them Colleges, the fourth a University; besides these, another Institution, designed I believe to become a college, situated at Franklin, still less remote from the seat of the Indiana University than any of the others; though all of them are within a circle of not more than about an hundred miles in diameter.

The agents employed by some of these Institutions have presented their claims, not unsuccessfully, even in Bloomington itself; and among the students of the University. The sectarian spirit, on the strength of which these rival institutions depend, in part, for their support, began about the time, to which this part of my narrative refers, to direct a fervid and unkind influence upon the Indiana University; and with what ultimate design this was done may be inferred from the fact, that, from statements made before the Board of Trustees at their last meeting, it appears the proposition is openly made to destroy the Indiana University at once, by taking away its charter and dividing its funds among the other Institutions just referred to.

The undersigned simply mentions these things as historical facts, and without any intention of reflecting censure upon the friends of these other Institutions, whose zeal in their favor and in opposition to the Indiana University, proceeds, it may be charitably supposed, from an honest conviction that no State Institution can be made to prosper, or, at least, that there is "a more excellent way" for conducting the interests of education, than that which is prescribed by the charter of the Indiana University.

Many good people think their children can be preserved from those influences which they consider dangerous to their moral and religious character, only by placing them in Institutions which they, as a religious sect, can guard and manage as they think best. Such is their honest belief; and they have acted and will act according to it. It is their right, and the undersigned, although he thinks he has had some reason to complain of the manner in which it has been exercised, has no disposition to say a word in opposition to the right itself. It

is one which he holds to himself most dear; and which he most cheerfully allows, in its legitimate exercise, to all others.

He might mention other co-operating causes, but it is unnecessary. The above-mentioned are, he thinks, of themselves, sufficient to account for the diminution in the number of students which, to the amount of twenty-five or twenty-six, had taken place in the winter of 1839.

There was, indeed, another cause, which had been operating, in the Board of Trustees, to retard the growth of the Institution; while it was a College, and which had done more than all others to produce the diminution in question. But it deserves a distinct notice by itself; because it has continued to exert, and still exerts at this moment, a powerful influence in opposition to the best interests of the University and has produced a still further reduction in the number of its pupils.

The progress of your investigations, gentlemen, will, I trust, shew the following train of facts to have sprung from the agency of the man who now stands before you in the character of an accuser: That he had repeated quarrels with students; that he was a turbulent member of the Board; that his violence towards Mr. E. N. Elliott drove from the Institution that gentleman who took with him Mr. D. Maxwell, superintendent of the Preparatory Department; that, when, by extraordinary efforts to meet the emergency thus brought upon the Institution, Mr. Ruter and Mr. Dodd were induced to enter into the Faculty and give their aid in carrying forward the business of Instruction in the departments assigned them, he contrived to invade the province of the Faculty and disturb the harmony of their operations, by a resolution assigning a part of the duties belonging to one of these professors to another who was less competent to perform them; that by interfering with the office of Janitor, he, in concert with certain other individuals, members of the Board, so managed, that though the Janitor's salary was doubled, the duties of the office were very imperfectly performed, leaving the Faculty and students to suffer great inconvenience in consequence; that he contrived to produce further difficulty and embarrassment to the Faculty, by usurping the power of making laws for the government of the Institution; that he exerted himself to prevent the undersigned from carrying into effect the known will of the President of the Board, in particular, and of the whole Board collectively, in regard to the purchase of books and apparatus which were essential to the very existence of the Institution; and finally, that when, for pursuing this course of conduct, he was left out of the Board of Trustees, upon the occasion of its re-organization by the Legislature, he adopted the resolution of being either reinstated in his former place or "tearing down" the Institution, he did, to carry out and accomplish said resolution, exhibit before the Legislature in the winter of 1838-9 certain false and scandalous charges against the Board of Trustees and against the undersigned.

What must necessarily result from such a course of conduct on the part of a Trustee of the Institution is sufficiently manifest. I shall call your attention particularly to one fact in the series. I refer to the fact that the aforesaid charges were presented before the Legislature, by one who had been a Trustee, and *purporting* to be endorsed by two others, who were still Trustees, and acting, therefore, under the most solemn obligation to promote the interests of the Institution committed to their care.

The news of a fact, so novel and extraordinary, flew, as on the wings of the wind, all over the country. It was published in the newspapers in the city of New York, not long after it happened, and was speedily spread all over the Union. It produced, of course, different impressions on different minds, but whatever might be the precise character of the impression in each particular case, it could not fail to operate, for a time, to the detriment of the Institution. The friends of the undersigned would regard the charges as malicious and unfounded; and they, of course, would have their faith in the Institution shaken, because, being a State Institution, it is exposed to such attacks. His enemies would, of course, consider them true, and be confirmed and encouraged in their hostility. Others would not know what to think; and they, of course, while in this state of suspense, would give the preference to any other institution which might present any thing like equal claims to their regard. Others again who are governed not by reason, but by proverbs, would shake their wise heads and exclaim "Where there is so much smoke there must be some fire;" they would condemn the undersigned, as did a certain member of the Legislature, simply because "there should be no disturbance in a literary Institution." These charges, it is true, were afterwards investigated by the Board, and pronounced false and unfounded. But what of that? The mischief had been done. The poison was diffusing itself and had been working, for months, in the public mind, before the antidote could be applied.

The Board, on investigation of the charges, though they pronounced the undersigned not guilty, found, in the course of their investigation, cause for removing three out of the five professors then in the Institution. The chairs thus vacated have but just been filled. The fact of their having been vacated could have produced, in no conceivable circumstances, any other *immediate* effect than that which actually followed it, a further reduction in the number of students.

As to the act of the Board itself, the undersigned has nothing to say. Right or wrong, expedient or inexpedient, such as has been stated, was its inevitable consequence.

Another cause to which it may be proper just to advert is the fact that the Department of Natural Philosophy and Chemistry has not been, till very recently, that is, only two weeks since, furnished with a Laboratory; the Professor being under the necessity of performing his experiments at the fire of a common stove. Students coming hither from abroad, and finding the Institution, though nominally a

University, deficient in so essential a part of its organization, would naturally feel disappointed, and communicate their feelings, by letter, to their friends; so that, if they should not go away, others, at least, would be prevented from coming. So deeply has this consideration, with others of a like nature, pressed on the mind of the undersigned himself, anxious though he is to increase the number of students, that he never has made any special effort for this purpose. Till now, it would have been premature; for, not till now has our organization, even as a College, been complete.

And here the undersigned may be permitted to suggest a thought, as to a principle assumed in the representations that have been made to the Legislature and the public, in regard to the number of our students. It has been stated to be less, at one time by twenty-five; at another, by fourteen than it actually was. But on this I make no comment. I advert to the *principle* which assumes that the number of students actually at a college, is a sure indication of its character and prospects, *at the time*. Numbers, however, taken alone, afford no such indication. The causes which affect numbers, either in the way of increase or diminution, operate slowly and often most effectually, when, as yet, they are *latent* from the public eye. Our own history affords a recent instance of this. In 1837, when our number was the greatest, causes were at work which diminished it rapidly; and now, on the other hand, when our number is reduced to about half of what it was, it requires not the eye of divination to see in the condition of the University the prognostic of a certain and a steady increase. The Institution has not indeed passed the crisis; but it has reached that point in it, at which adverse influences having exhausted their force, "*vitamque in vulnere ponunt*," those of an opposite character will begin to exert themselves.

To proceed, gentlemen, to the next question—that, namely, which respects the action of the Legislature. Three things, it seems to the undersigned, ought to be regarded as the elements of prosperity to any Literary Institution:—the character of the Board and Faculty; the character of the sphere within which the powers of the Institution are to operate, and the furniture of means with which it is supplied to effect its object. By the "prosperity" of the Institution, it is taken for granted that more than the mere number of students is intended. Institutions may be so conducted as to attract numbers, and to keep up a succession of numbers too, and yet generate nothing but pestilence and moral death for the community. The moral capacities, as well as the intellectual powers of the pupils, must be educated. Their weaknesses must not be flattered, nor their indolence soothed. Modesty of deportment and deference to superiority in knowledge, virtue and experience, must be inculcated. Honesty and simplicity of character and purpose must be taught, as well as literature and science. That method which will best effect these ends will not, at first, attract numbers. In the long run it may. What is morally wrong grasps at present advantages, which *TIME*, deified in ancient mythology, destroys. The poisonous mushroom

springs up in a night—the growth of the oak is marked by the lapse of ages. The good are content to sow, that others who are to come after them, may reap the harvest.

To evince that kind of prosperity which is really desirable for a literary Institution, the Faculty, in the first place, should be composed of men whose characters are neither feeble through intellectual imbecility, nor marked with moral turpitude. By the way, it should be remarked, that when raised to a place above its proper level, intellectual imbecility too frequently becomes moral turpitude; for to sustain itself, it is constantly tempted to resort to dishonest and time-serving expedients.

Such as cannot succeed in other professions, are sometimes represented as *falling* into that of a pedagogue. To you, gentlemen, I need not say that the state of things should not be such any where in *our* country, as to justify such a mode of speaking as this.

Of the character of a Board of Trustees the same remarks will hold; though, perhaps, not with equal force.

As to the population in the immediate vicinity of the University, it should be such as to generate and maintain such a tone of moral sentiment, as to keep in check those tendencies to corruption from which no society on earth is altogether free.

As to the more remote parts of the sphere, from which the University must derive its supply of students, it should be kept in mind, that the larger religious sects occupy, with their influence, the greater portions. The smaller sects who, either because they are not able to sustain Institutions of their own, or, because they are liberal enough to unite in common in favor of an Institution whose advantages were intended for all, have not thought it necessary or expedient to provide the means of educating their sons apart by themselves; these, added to those more insignificant portions of society which are indifferent as to sect, are the people who may be expected to send their sons to our University. A few of the more liberal and enlightened of all sects may also be expected to regard it with favor. The University may be so managed as not to offend the prejudices of any liberal-minded good man. But that it should suit itself to the peculiar views of any sect or any party, is neither to be expected nor desired. Whatever influence it exerts, should be calculated to bring all good people, of all denominations, into closer union. The spirit of the religion which Jesus taught should live and breathe in its halls, or it will not prosper,—it should not. As to the furniture of means, &c., viz: books, apparatus, buildings, it is sufficient merely to name them on this occasion.

We are prepared, now, to ask, on which of these sources, whence prosperity is to be derived to the Institution, can the Legislature exert an improvery influence? Should the Legislature undertake to improve the Faculty, on what would the question of appointment or removal turn? On the qualifications of the individual, or his creed? Or would it depend on the amount of misrepresentation which, at the time might, by *confidential letters*, be injected into the legislative councils?

It is an appalling fact, that no Literary Institution has ever yet flourished under legislative management. This Institution, when the undersigned took charge of it, ten years ago, was a mere grammar school, without a library, without apparatus, and with but two Professors, having a strong tide of prejudice and opposition to stem. In these circumstances, "*none was so poor to do it reverence.*" It was with difficulty a quorum of the Board could be got together once a year. Yet, under all difficulties, it grew; till, in 1837, it numbered one hundred and five students; and a place in its Board of Trustees was thought to be an honor worth all that mighty agitation which the accuser has, by moving heaven and earth, excited on the subject. Yet the Legislature no sooner began to be moved about it, than it sank at once. And this is now cited, all over the land, as another proof that no Literary Institution *can* prosper, which is even *liable* to Legislative influence.

But, for his part, the undersigned is not yet prepared to give in to, or give up to, this opinion. He yet believes that this University, though subject to Legislative interference, can be made to prosper. He believes, further, that the Legislative interference, in this very instance, will prove most salutary. The manner in which this interference was invoked, and all the circumstances connected with it, shew who is the person struck at, and why he has been struck at—now struck at the third time. You, gentlemen, when you have patiently examined into every alleged cause of complaint, will say whether he is guilty, **AND OF WHAT**; and he will remove himself, forthwith, from your Institution and from the State which contains it:—*and all will be well*—will it? On the contrary, should your Report be favorable, will not all be well? There is some doubt. For the accuser, in his letter to Mr. Berry, says he will renew his efforts every year, till his object be accomplished: and should he be able to excite *another* such commotion and tempest, his object will be accomplished. And, gentlemen, should he *have* this power, the Legislature, with all the resources of the State at their command, cannot save the University from prostration and ruin.

The undersigned does not feel himself competent to suggest, with any degree of confidence, any preventive, which, it is thought, the Legislature would feel themselves authorized to apply. He has heard it suggested, by some honest and good men of great experience, that if any person undertaking to prosecute charges against the State University, were to render himself liable for the costs of prosecution, in case he failed to establish his charges, it would prevent the recurrence of a case similar to that which has, in this instance, put the State and the University to so much cost and trouble.

So far as the prosperity of the Institution may depend upon the Board of Trustees, the undersigned has nothing to propose. The history of all Literary Institutions goes to establish the principle, that a Board of Trustees having been appointed by the Legislature, should be left, in all ordinary cases, to manage the trust committed to their hands, unless the interference of the Legislature should be

invoked by the Board themselves, acting in their joint and corporate capacity.

In reference to the wants of the State, it has long been the conviction of the undersigned that a department of Didactics, such as is sketched in his letters to Mr. Dunning, and such as corresponds in most respects to the Normal Schools of Europe, is greatly needed in the University. It would enable Farmers in moderate circumstances to fit their sons for those positions and occasions, in which the interests and views of that highly useful and respectable class of the community, need to be represented and advocated.

In obedience to the resolution requiring the undersigned to lay before you a brief account of the paternal system of College government, he begs leave to submit to the committee the following brief extract from the Annual Catalogue for the year, 1837—8, page 11th, and an extract on the same subject, from a Discourse delivered before the Legislature: and, were it not for fear of trespassing too far on the patience of the committee, he would be gratified to submit to their inspection a still more expanded view of the same subject, contained in a Discourse delivered before the College of Professional Teachers, and published in the 5th volume of their Transactions.

“The government is Paternal. The reason and moral sense of the student are called into exercise, by frequent appeals in relation to the matter and manner of his conduct: and he is thus taught to govern himself.” This, I consider, the fundamental principle of the Paternal System. It is expanded in the following remarks, extracted from my “Discourse on Education, delivered before the Legislature of the State of Indiana, at the request of the joint committee of education, and published in pursuance of a vote of the House of Representatives, January 17th, 1830.” They are found on pages 20, 21. “In the remarks which I have to offer, as to the method proper to be adopted for the purpose of guarding against the formation of evil habits, I cannot be particular. I may be allowed to specify one thing, which, if I am not utterly mistaken, has had a most pernicious influence, and must have, wherever it is adopted. I allude to the practice of governing students by a multiplicity of written laws, supported, as they must be, by a system of espionage. The laws of a State differ essentially from those of a school. The former have for their object, the protection of individuals in their just rights; that of the latter is the formation of character. Young men should be formed in character and habit, so as not merely to shun vice, and to practice virtue, but to love the latter, and detest the former. And this is what mere law and authority cannot do. No one becomes good by constraint. Besides, laws often provoke to their own violation. A generous youth does not like to be commanded to do what he knows he ought to do, and would do if left to himself. What he does by constraint, or under the appearance of constraint, he loses the credit of doing. Further: the formation of character contemplates a thousand things, which change their nature, if enforced by authority. If you go about to make people religious by compulsion, you make them

hypocrites. Who would think of teaching politeness by rules and penalties! Further still; if you lay down a law, it must be invariable. But the dispositions of the young are different, and demand different treatment. Yet again: watch a boy, and you do him an injury: you treat him as a slave; and such treatment will gradually generate a base and servile spirit, which will need to be watched. Too much government is always injurious, a maxim which rulers are slow to learn. There is but one law in heaven, the law of love; and the Author of our salvation has proposed no other for the government of those whom He is forming for an eternal residence in that happy place. The society of a College ought to be a family, in which the Faculty is the parent, and the pupils the children—of different tempers and attainments, and therefore to be treated differently, but all under the same kind and paternal government. And those who cannot be governed in this way, it would be wrong to educate, if it were possible.”

It will be observed from these extracts, that the Paternal System stands opposed, not to all laws whatever, but only to such “a multiplicity” of them as would, in carrying them into effect, render necessary a system of espionage. For instance, in some institutions, letters sent home by the pupils must first be inspected by the Faculty. Let each Professor be strict in requiring *the performance of the duties of the recitation room*, and he will soon find out who do not behave well out of it. And, let such, after sufficient trial, be dismissed, that they may, before the season of youth be past, be set to some other employment, in which they may be useful in future life, to themselves and others.

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